

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATURE 3rd CALLED SESSION - 2006

May 2, 2006

TO: Honorable Jim Pitts, Chair, House Committee on Appropriations

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB63 by Pitts (Relating to appropriations to pay for damages and disruptions suffered by Lamar University and its related institutions caused by Hurricanes Katrina and Rita.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB63, As Introduced: a negative impact of (\$34,000,000) through the biennium ending August 31, 2007.

Appropriations:

Fiscal Year	Appropriation out of <i>GENERAL REVENUE FUND</i> 1
2006	\$34,000,000
2007	\$0

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$34,000,000)
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1
2006	(\$34,000,000)
2007	\$0
2008	\$0
2009	\$0
2010	\$0

Fiscal Analysis

The bill would appropriate \$34,000,000 to the Texas State System Office for the purpose of paying or reimbursing costs associated with damages caused by Hurricane Rita or Hurricane Katrina.

In January 2006, the State Auditor(SAO) published a review of the financial impact of Hurricane Rita on Lamar University and Two-Year Colleges. The SAO concluded that the total cost to the schools

was approximately \$43 million. Of this \$43 million, \$37 million was disaster costs and \$6 million was revenue loss. The SAO estimated that the Federal Emergency Management Agency (FEMA) would reimburse the school \$30.2 million for the disaster costs. FEMA would not reimburse the schools for revenue loss. To date, FEMA has reimbursed the impacted schools approximately \$13 million.

Methodology

The General Revune appropriation of \$34,000,000 to the Texas State System Office would be in the FY 2006-07 biennium.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 758 Board of Regents, Texas State University System Central Office

LBB Staff: JOB, SD, MS, EB, GO