

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

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

**May 12, 2006**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Finance

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

**IN RE: SB23** by Williams (Relating to the costs of damages to Lamar University and its related institutions caused by Hurricane Rita; making an appropriation.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB23, As Introduced: a negative impact of (\$33,500,000) through the biennium ending August 31, 2007.

**Appropriations:**

Fiscal Year	Appropriation out of <i>GENERAL REVENUE FUND</i> 1
2006	\$33,500,000
2007	\$0

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$33,500,000)
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	(\$33,500,000)
2007	\$0
2008	\$0
2009	\$0
2010	\$0

**Fiscal Analysis**

The bill would appropriate \$33,500,000 to the Texas State System Office for the purpose of paying or reimbursing costs associated with damages caused by Hurricane Rita.

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.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect on 91st day after the last day of the legislative session.

**Methodology**

This analysis assumes the General Revenue appropriation of \$33,500,000 to the Texas State System Office would occur in FY 2006.

**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

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