

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 23, 2009

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

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

IN RE: HB6 by Eiland (Relating to appropriations for damages and disruptions suffered by state agencies and institutions of higher education caused by natural disasters and to an appropriation for disaster relief generally.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB6, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Economic Stabilization Fund</i> 599
2010	(\$864,672,778)
2011	\$0
2012	\$0
2013	\$0
2014	\$0

Fiscal Analysis

The bill would make fiscal year 2009 supplemental appropriations for certain agencies and institutions of higher education to pay for damages and disruptions caused by natural disasters that occurred during the fiscal biennium beginning on September 1, 2007.

The bill would make appropriations to the following agencies and institutions of higher education for costs incurred by the agencies or institutions associated with damages or disruptions caused by natural disasters.

- \$300,000,000 to the UT Medical Branch at Galveston
- \$120,111 to Brazosport College
- \$60,849,794 to the Parks and Wildlife Department
- \$47,416,821 to the Health and Human Service Commission
- \$1,725,995 to the UT M.D. Anderson Cancer Center

\$12,043,688 to Alvin College
\$7,458,118 to Texas A&M Galveston
\$385,091 to the Texas Forest Service
\$6,030,680 to Houston Community College
\$32,387,608 to the Department of Criminal Justice
\$4,598,100 to the Commission on Environmental Quality
\$3,700,000 to San Jacinto College
\$491,844 to Galveston College
\$979,000 to Texas A&M University
\$1,190,794 to the Texas Engineering Extension Service
\$1,244,007 to the Adjutant General's Department
\$1,178,189 to The University of Texas at Brownsville
\$2,803,561 to Lamar University
\$2,007,758 to Lamar Institute of Technology
\$1,082,754 to Lamar State College: Port Arthur
\$17,884,439 to Texas Southern University
\$704,945 to College of the Mainland
\$102,258 to The University of Texas pan American
\$281,428 to Texas AgriLife Research
\$35,220,100 to the General Land Office and Veterans' Land Board
\$142,245 to Angelina College
\$59,145 to Texas A&M Corpus Christi
\$143,378 to Texas AgriLife Extension Service
\$2,898,557 to The University of Texas Health Center at Tyler
\$8,520,839 to The University of Texas Health Science Center at Houston
\$7,339,000 to the University of Houston System Administration
\$904,558 to the Texas State Technical College: Harlingen
\$693,691 to Lamar State College: Orange
\$488,864 to Prairie View A&M University
\$434,075 to Stephen F. Austin State University
\$215,688 to Tyler Junior College
\$118,841 to Sam Houston State University
\$89,436 to The University of Texas Health Science Center at San Antonio
\$39,694 to Texas A&M University – Commerce
\$137,554 to Lee College
\$20,000,000 to the Department of Agriculture

The bill would appropriate \$9,384,231 to the Texas Forest Service for costs associated with wildfires that occurred during the fiscal biennium beginning September 1, 2007.

The bill would appropriate \$69,339 to the Texas Forest Service and \$2,106,560 to the Texas Engineering Extension Service to pay for or reimburse the agency for payments made to cover costs associated with flooding that occurred during the fiscal biennium beginning September 1, 2007.

The bill would appropriate \$250,000,000 for disaster relief generally.

The bill would appropriate no more than \$18,000,000 to the Texas Education Agency to allow certain school districts to retain recapture payments in order to respond to a disaster. Under the provisions of the bill, this appropriation is contingent upon the enactment of legislation relating to an exception to the wealth per student limitation and upon a declaration of a state or national emergency.

The bill would appropriate no more than \$1,000,000 to the Texas Department of Transportation to repair damage caused by flooding to Farm-to-Market Road 170 in Brewster and Presidio Counties.

Methodology

All funds mentioned above would be appropriated out of the Economic Stabilization Fund (ESF) for a two year period beginning on the effective date of this act.

Under the provisions of the bill, the Legislative Budget Board (LBB) and the Governor shall determine the allocation of the \$250 million appropriated for disaster relief generally. These funds may be expended for the purpose of responding to past or future declared disasters. If an agency or institution of higher education receives federal reimbursement for an expenditure paid with a disaster relief appropriation, the bill would require the appropriation amount and the federal reimbursement amount to be reimbursed to the Trusteed Programs within the Office of the Governor.

Out of the funds appropriated for disaster relief generally, \$100,000,000 shall be provided to localities suffering financial hardship resulting from a declared disaster, including wildfires, flooding or other natural disasters. These funds can be used to provide local matching funds for FEMA qualifying projects or to prevent default on outstanding bonds or to meet other financial requirements.

Under the provisions of the bill, a state agency or institution of higher education receiving federal reimbursement for an expenditure paid for or reimbursed under this act would be required to reimburse the state for the amount paid and the amount received as a federal reimbursement. This amount would then be appropriated to the ESF in accordance with Subsection (f), section 49-g, Article III, Texas Constitution.

All appropriations made out of the ESF require a two-thirds vote in each house. The bill would take effect immediately upon enactment.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, MN, SD, ER