

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 27, 2017

TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB224 by Watson (Relating to the sunset review date for the Cancer Prevention and Research Institute of Texas and the time for awarding cancer research and prevention grants.), As Introduced

No significant fiscal implication to the State is anticipated through fiscal year 2020. However, beginning in fiscal year 2021, there is an estimated negative impact of (\$11,400,000) in General Revenue each fiscal year through fiscal year 2041 for additional debt service payments by the Texas Public Finance Authority.

The bill would amend Health and Safety Code relating to the sunset review date for the Cancer Prevention and Research Institute of Texas (CPRIT) and the time for awarding cancer research and prevention grants. The bill would extend CPRIT's sunset date by two years from September 1, 2021, to September 1, 2023. The bill would also extend the period that the CPRIT oversight committee may award grants by two years from August 31, 2020, to August 31, 2022.

According to CPRIT, under current statutory restrictions, there would be an estimated \$146.0 million in unissued bond authority of the \$3.0 billion approved by Texas Constitution, Art. III, Sec. 67. This includes \$90.0 million in bond authority that CPRIT cannot award due to limits in current statute and \$56.0 million in available authority from grants that have ended without expending their full award, an amount that will likely increase as additional grants end. The change in the sunset date would allow the agency to utilize all available authority.

This analysis assumes all \$146.0 million in bond proceeds would be issued and awarded as grants in fiscal year 2021. Additional agency administrative costs for the 2022-23 biennium are estimated to be \$4.0 million in Other Funds - Bond Proceeds each fiscal year, based on current expenditures on grant compliance and administration. Beginning in fiscal year 2021, the issuance and award of \$146.0 million in additional bond authority will result in additional debt service paid by Texas Public Finance Authority, estimated to average \$11.4 million per year in General Revenue for 20 years.

The Sunset Advisory Commission indicates that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished within the agency's existing resources.

The bill would take effect immediately upon receiving two-thirds majority vote in each house. Otherwise, the bill would take effect September 1, 2017.

Local Government Impact

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

Source Agencies: 347 Public Finance Authority, 542 Cancer Prevention and Research
Institute of Texas, 116 Sunset Advisory Commission

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