

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 6, 2019

TO: Honorable John Zerwas, Chair, House Committee on Appropriations

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB4 by Zerwas (Relating to making supplemental appropriations and reductions in appropriations and giving direction, including direction regarding reimbursement, and adjustment authority regarding appropriations.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4, As Introduced: a negative impact of (\$1,749,802,334) through the biennium ending August 31, 2021.

Appropriations:

Fiscal Year	Appropriation out of <i>General Revenue Fund</i> 1	Appropriation out of <i>Federal Funds</i> 555	Appropriation out of <i>Economic Stabilization Fund</i> 599
2019	\$1,749,802,334	\$2,314,579,012	\$1,210,790,203
2020	\$0	\$0	\$636,000,000

General Revenue-Related Funds, Six-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2019	(\$1,749,802,334)
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0

All Funds, Six-Year Impact:

Fiscal Year	Probable Savings from General Revenue Fund 1	Probable (Cost) from General Revenue Fund 1	Probable Savings from Federal Funds 555	Probable (Cost) from Federal Funds 555
2019	\$695,668,082	(\$2,445,470,416)	\$8,481,040	(\$2,323,060,052)
2020	\$0	\$0	\$0	\$0
2021	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0

Fiscal Year	Probable Savings from Economic Stabilization Fund 599	Probable (Cost) from Economic Stabilization Fund 599	Probable Revenue (Loss) from Economic Stabilization Fund 599
2019	\$2,000,000	(\$1,212,790,203)	(\$9,676,921)
2020	\$0	(\$636,000,000)	(\$46,361,350)
2021	\$0	\$0	(\$48,769,000)
2022	\$0	\$0	(\$49,911,000)
2023	\$0	\$0	(\$50,075,000)
2024	\$0	\$0	(\$51,317,000)

Fiscal Analysis

HB 4, As Introduced provides for the following appropriation related provisions:

General Revenue-Related appropriations decreases of \$695,668,082 in fiscal year 2019 as follows:

- Texas Education Agency - Foundation School Fund: \$643,000,000
- Texas Public Finance Authority - Debt Service: \$35,078,954
- Texas Facilities Commission - Lease Payments: \$17,589,128

General Revenue-Related appropriations increases of \$2,445,470,416 in fiscal year 2019 as follows:

- Health & Human Services Commission - Medicaid Shortfall: \$2,100,000,000
- Texas Department of Criminal Justice - Correctional Managed Care: \$160,000,000
- Department of Family and Protective Services - Foster Care: \$83,542,916
- Texas A&M Forest Service - Wildfires: \$54,923,481
- Texas Department of Criminal Justice - Officer Overtime: \$30,000,000
- Department of Family and Protective Services - Relative Caregiver: \$6,833,593
- Department of Public Safety - Crime Labs: \$5,770,426
- Library & Archives Commission - Facility Renovation: \$4,400,000

Federal Fund appropriations decreases of \$8,481,040 in fiscal year 2019 as follows:

- Department of Family and Protective Services - Relative Caregiver: \$8,481,040

Federal Fund appropriations increases of \$2,323,060,052 in fiscal year 2019 as follows:

- Health & Human Services Commission - Medicaid Shortfall: \$2,300,000,000
- Department of Family and Protective Services - Daycare: \$23,060,052

Economic Stabilization Fund appropriations decreases of \$2,000,000 in fiscal year 2019 as follows:

Health & Human Services Commission - State Hospital Construction: \$2,000,000

Economic Stabilization Fund appropriations increases of \$1,212,790,203 in fiscal year 2019 as follows:

- Texas Education Agency - FSP Harvey Costs: \$905,500,000
- Health & Human Services Commission - Harvey Costs: \$110,000,000
- Department of Public Safety - Harvey Costs: \$97,000,000
- Texas Department of Criminal Justice - Harvey Costs: \$38,600,000
- University of Houston - Harvey Costs: \$20,288,883
- Lone Star College - Harvey Costs: \$13,100,000
- Texas Parks & Wildlife Department - Harvey Costs: \$9,000,000
- Texas Workforce Commission - Harvey Costs: \$8,931,385
- University of Houston Downtown - Harvey Costs: \$4,000,000
- Texas A&M Forest Service - Harvey Costs \$2,582,439
- Health & Human Service Commission - State Hospital Construction: \$2,000,000
- University of Houston Victoria - Harvey Costs: \$1,703,828
- University of Houston Clear Lake - Harvey Costs: \$83,668

Economic Stabilization Fund appropriations increases of \$636,000,000 in fiscal year 2020 as follows:

Texas Education Agency - FSP Harvey Costs: \$636,000,000

Methodology

The amounts identified above represent changes to previously authorized amounts and purposes for the state fiscal year ending August 31, 2019, with the exception of the appropriation of \$636,000,000 from the Economic Stabilization Fund for the Texas Education Agency; that authorization is for the state biennium ending August 31, 2021.

The revenue loss to the Economic Stabilization Fund in every year represents the interest and investment loss due to the appropriations out of the fund.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD