

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 29, 2019

TO: Honorable Senfronia Thompson, Chair, House Committee on Public Health

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

IN RE: HJR5 by Thompson, Senfronia (Proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Public Finance Authority to fund research, treatment, and access to services in this state for behavioral health, mental health, and substance use and addiction issues.), **Committee Report 1st House, Substituted**

The fiscal implication to the State cannot be determined at this time, other than the cost of publication.

The cost to the state for publication of the resolution is \$177,289.

The joint resolution proposes a constitutional amendment providing for the issuance of general obligation bonds by the Texas Public Finance Authority to fund research, treatment, and access to services in this state for behavioral health, mental health, and substance use and addiction issues.

The proposed constitutional amendment would be submitted to the voters at an election to be held November 5, 2019.

The resolution would provide for the issuance of bonds limited to not more than \$3 billion and not more than \$500 million each fiscal year. Analysis provided by the Bond Review Board assumes debt issued under this new Section 68 of Article III of the Texas Constitution would be categorized as not self-supporting and thus be repaid directly from the state's general revenue fund. As such, this debt would be included in the calculation of the Constitutional Debt Limit (CDL).

As of fiscal year-end 2018, the CDL is calculated to be 2.20% including all outstanding and authorized but unissued not self-supporting debt. Based on assumptions used for the fiscal year-end 2018 CDL, the authorization of \$3 billion of additional debt would increase the ratio of not self-supporting debt to the rolling three-year average of unrestricted general revenues by approximately 49 basis points (0.49%)

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 347 Public Finance Authority, 352 Bond Review Board, 529 Health and Human Services Commission

LBB Staff: WP, AKi, NV, LLo