

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**March 13, 2019**

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

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

**IN RE:** **SB500** by Nelson (Relating to making supplemental appropriations and reductions in appropriations and giving direction, including direction regarding reimbursement, and adjustment authority regarding appropriations.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds for SB500, As Engrossed:** a negative impact of (\$1,512,280,572) through the biennium ending August 31, 2021.

**Appropriations:**

Fiscal Year	Appropriation out of <i>General Revenue Fund</i> <b>1</b>	Appropriation out of <i>Federal Funds</i> <b>555</b>	Appropriation out of <i>Economic Stabilization Fund</i> <b>599</b>	Appropriation out of <i>Texas Infrastructure Resiliency Fund</i>
2019	\$1,723,261,731	\$2,314,579,012	\$4,360,895,321	\$1,650,000,000
2020	\$0	\$0	\$0	\$0

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

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2019	(\$1,723,261,731)
2020	\$210,981,159
2021	\$0
2022	\$0
2023	\$0
2024	\$0

**All Funds, Six-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings from General Revenue Fund 1</b>	<b>Probable (Cost) from General Revenue Fund 1</b>	<b>Probable Savings from Federal Funds 555</b>	<b>Probable (Cost) from Federal Funds 555</b>
2019	\$695,668,082	(\$2,418,929,813)	\$8,481,040	(\$2,323,060,052)
2020	\$210,981,159	\$0	\$0	\$0
2021	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0

<b>Fiscal Year</b>	<b>Probable (Cost) from Economic Stabilization Fund 599</b>	<b>Probable Revenue (Loss) from Economic Stabilization Fund 599</b>	<b>Probable Revenue Gain from Texas Infrastructure Resiliency Fund</b>	<b>Probable (Cost) from Texas Infrastructure Resiliency Fund</b>
2019	(\$4,360,895,321)	(\$34,948,322)	\$1,650,000,000	(\$1,650,000,000)
2020	\$0	(\$113,322,097)	\$0	\$0
2021	\$0	(\$117,046,194)	\$0	\$0
2022	\$0	(\$120,084,853)	\$0	\$0
2023	\$0	(\$123,202,411)	\$0	\$0
2024	\$0	(\$126,400,917)	\$0	\$0

<b>Fiscal Year</b>	<b>Probable (Cost) from Clean Air Account 151</b>
2019	(\$375,000)
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0

**Fiscal Analysis**

SB 500, 1st Committee Report, Substituted 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 Program: \$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 \$2,418,929,813 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 & Protective Services - Foster Care: \$83,542,916
- Texas Department of Criminal Justice - Officer Overtime: \$30,000,000
- Texas State Technical College - Waco - Facility Demolition: \$29,644,640

Department of Family & Protective Services - Relative Caregiver: \$6,833,593  
Department of Public Safety - Crime Labs: \$5,770,426  
Texas Commission on Environmental Quality - Litigation Expenses: \$1,400,000  
Kilgore College - Health Insurance Contribution: \$1,238,238  
Comptroller of Public Accounts Judiciary - Longevity Pay: \$500,000

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

Department of Family & 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 & Protective Services - Daycare: \$23,060,052

**Economic Stabilization Fund appropriations increases of \$4,360,895,321 in fiscal year 2019 as follows:**

Comptroller of Public Accounts - Texas Infrastructure Resiliency Fund: \$1,650,000,000  
Texas Education Agency - Harvey Costs: \$905,500,000  
Teacher Retirement System - Pension Contributions: \$542,000,000  
Health & Human Services Commission - State Hospitals: \$300,000,000  
Comptroller of Public Accounts - Texas Guaranteed Tuition Plan: \$210,981,159  
Soil & Water Conservation Board - Dam Infrastructure: \$150,000,000  
Health & Human Services Commission - Harvey Costs: \$110,000,000  
Office of the Governor - Disaster Grants: \$100,000,000  
Texas Education Agency - School Safety: \$100,000,000  
Department of Public Safety - Harvey Costs: \$96,954,406  
Texas A&M Forest Service - Wildfires: \$54,909,580  
Texas Department of Criminal Justice - Harvey Costs: \$38,600,000  
General Land Office - Harvey Costs: \$23,634,172  
University of Houston - Harvey Costs: \$20,288,883  
University of Texas at Austin - Marine Science Institute - Harvey Costs: \$14,750,000  
Lone Star College - Harvey Costs: \$13,100,000  
Texas Workforce Commission - Harvey Costs: \$8,931,385  
Texas Parks & Wildlife Department - Harvey Costs: \$8,000,000  
Texas Parks & Wildlife Department - Radio Replacement: \$5,000,000  
University of Houston Downtown - Harvey Costs: \$4,000,000  
Texas A&M Forest Service - Harvey Costs: \$2,458,240  
University of Houston Victoria - Harvey Costs: \$1,703,828  
University of Houston Clear Lake - Harvey Costs: \$83,668

**Texas Infrastructure Resiliency Fund appropriations increases of \$1,650,000,000 in fiscal year 2019 as follows:**

Texas Water Development Board - State Flood Plan Infrastructure: \$793,000,000  
Texas Department of Emergency Management - FEMA Public Assistance Grant Match: \$335,000,000  
Texas Department of Emergency Management - FEMA Hazard Mitigation Match: \$275,000,000  
General Land Office - Army Corps of Engineers Match: \$200,000,000  
Texas Water Development Board - State Flood Risk Maps: \$47,000,000

**Methodology**

The amounts above represent changes to previously authorized amounts and purposes for the state fiscal year ending August 31, 2019.

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

The above tables assume Senate Bill 7, 86th Legislature, Regular Session, or similar legislation will pass. If that legislation does not pass, all appropriations from the Texas Infrastructure Resiliency Fund would be changed to the Economic Stabilization Fund.

The *2020-21 Biennial Revenue Estimate (BRE)* assumed a General Revenue fund transfer of \$211.0 to the Texas Tomorrow Fund in fiscal year 2020. Because SB 500 appropriates that amount to the Texas Tomorrow Fund from the Economic Stabilization Fund, there is a corresponding General Revenue savings in fiscal year 2020.

Fee revenue collected from expedited permit review surcharges in excess of the BRE appropriated to the Texas Commission on Environmental Quality is shown as a cost to the Clean Air Account.

### **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