

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 25, 2019

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
 Honorable Dennis Bonnen, Speaker of the House, House of Representatives

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.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for SB500, Conference Committee Report: a negative impact of (\$1,474,917,823) through the biennium ending August 31, 2021.

Appropriations:

Fiscal Year	Appropriation out of <i>General Revenue Fund</i> 1	Appropriation out of <i>Coastal Protection</i> <i>Acct</i> 27	Appropriation out of <i>Federal Funds</i> 555	Appropriation out of <i>Economic Stabilization</i> <i>Fund</i> 599
2019	\$1,685,898,982	\$2,000,000	\$2,146,518,960	\$4,967,741,593
2020	\$0	\$0	\$0	\$899,000,000
2021	\$0	\$0	\$0	\$261,000,000

General Revenue-Related Funds, Six-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2019	(\$1,685,898,982)
2020	\$210,981,159
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 (Cost) from Coastal Protection Acct 27	Probable Savings from Federal Funds 555
2019	\$1,031,367,834	(\$2,717,266,816)	(\$2,000,000)	\$8,481,040
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

Fiscal Year	Probable (Cost) from Federal Funds 555	Probable Savings from Economic Stabilization Fund 599	Probable (Cost) from Economic Stabilization Fund 599	Probable Revenue (Loss) from Economic Stabilization Fund 599
2019	(\$2,155,000,000)	\$2,000,000	(\$4,969,741,593)	(\$19,919,830)
2020	\$0	\$0	(\$899,000,000)	(\$143,099,541)
2021	\$0	\$0	(\$261,000,000)	(\$161,353,164)
2022	\$0	\$0	\$0	(\$166,638,887)
2023	\$0	\$0	\$0	(\$170,943,639)
2024	\$0	\$0	\$0	(\$175,359,619)

Fiscal Analysis

SB 500, Conference Committee Report provides for the following appropriation related provisions:

General Revenue-Related appropriations decreases of \$1,031,367,834 in fiscal year 2019 as follows:

- Texas Education Agency - Foundation School Fund: \$903,300,000
- General Land Office - Rebuild Housing: \$48,600,000
- Texas Public Finance Authority - Debt Service: \$35,078,954
- Texas Facilities Commission - Lease Payments: \$22,589,128
- Office of the Attorney General - Child Support Enforcement System 2.0 Project: \$21,799,752

General Revenue-Related appropriations increases of \$2,717,266,816 in fiscal year 2019 as follows:

- Health & Human Services Commission - Medicaid Shortfall: \$2,000,000,000
- Texas Education Agency - Maintenance of Financial Support for IDEA: \$219,554,812
- Texas Department of Criminal Justice - Correctional Managed Care: \$190,000,000
- Department of Family and Protective Services - Foster Care: \$88,585,541
- Health & Human Service Commission - Children's Hospital Rate Increase: \$50,000,000
- Health & Human Service Commission - Mental Health State Hospital Services: \$31,700,000
- Texas Department of Criminal Justice - Officer Overtime: \$30,000,000
- Texas State Technical College - Abatement and Demolition Waco Campus: \$29,644,640
- Department of Family & Protective Services - Purchased Client Services: \$21,251,844
- Health & Human Service Commission - Healthy Texas Women: \$10,300,000
- Health & Human Services Commission - State Supported Living Centers: \$10,100,000
- Department of State Health Services - X linked adrenoleukodystrophy: \$7,927,458
- Department of Family and Protective Services - Relative Caregiver: \$6,833,593

Board of Pharmacy - Prescription Monitoring Program Database: \$6,099,312
Department of Public Safety - Crime Labs: \$5,770,426
Library & Archives Commission - Facility Renovation: \$4,400,000
Health & Human Services Commission - Early Childhood Intervention: \$1,500,000
Texas Commission on Environmental Quality - Litigation Expenses: \$1,400,000
Kilgore College - Higher Education Group Insurance: \$1,238,238
Comptroller of Public Accounts Judiciary Section - Longevity Pay: \$523,295
Comptroller of Public Accounts Judiciary Section - Visiting Judges: \$400,000
Texas Education Agency - Adult High School Diploma and Industry Certification Charter School Pilot Program: \$37,657

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 \$2,155,000,000 in fiscal year 2019 as follows:

Health & Human Services Commission - Medicaid Shortfall: \$2,150,000,000

Department of Family & Protective Services - Daycare: \$5,000,000

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 \$4,969,741,593 in fiscal year 2019 as follows:

Texas Water Development Board - State Flood Plan Infrastructure Projects: \$793,000,000

Teacher Retirement System - State Contribution Additional Payment: \$589,000,000

Texas Education Agency - FSP Harvey Costs: \$535,200,000

Health & Human Services Commission - State Hospital Construction: \$445,354,363

Texas Water Development Board - Matching Funds for FEMA Public Assistance Grants: \$365,000,000

Texas Water Development Board - Matching Funds for FEMA Hazard Mitigation Grants: \$273,000,000

Texas Education Agency - Post-Harvey recovery and reimbursements to ISDs: \$271,300,000

Comptroller of Public Accounts - Texas Tomorrow Fund: \$210,981,159

General Land Office - Matching Funds for Army Corp of Engineers Programs: \$200,000,000

Soil and Water Conservation Board - Dam Infrastructure Projects: \$150,000,000

Texas Department of Transportation - Transportation Infrastructure Fund Grants: \$125,000,000

Health & Human Services Commission - Harvey Costs: \$110,000,000

Office of the Governor - Disaster Grants: \$100,000,000

Office of the Governor - Border Surge Operations: \$100,000,000

Texas Education Agency - School Hardening: \$100,000,000

Department of Public Safety - Harvey Costs: \$96,954,409

Texas A&M Forest Service - Wildfires: \$54,909,580

Texas Department of Criminal Justice - Repair and Rehabilitation of Facilities: \$54,000,000

Texas Water Development Board - State Flood Risk Maps: \$47,000,000

Texas Department of Criminal Justice - Harvey Costs: \$38,600,000

Texas Parks and Wildlife Department - Battleship Texas: \$35,500,000

Texas Department of Criminal Justice - Surveillance Cameras: \$26,000,000

General Land Office - Harvey Costs: \$25,742,927

Texas Historical Commission - Courthouse Grants: \$25,000,000

Texas Department of Criminal Justice - Corrections Information Technology System: \$24,164,000

University of Houston - Harvey Costs: \$20,288,883

Department of State Health Services - Trauma Capacity Grants: \$17,000,000
Texas Southern University - Thermal Plant & Steam Tunnel Maintenance: \$16,000,000
Lone Star College - Harvey Costs: \$13,100,000
Department of State Health Services - Emergency Generator: \$12,000,000
Texas Education Agency - Post Disaster Recovery: \$10,930,000
University of Texas at Austin Marine Science Institute - Harvey Costs: \$10,200,000
Texas Workforce Commission - Harvey Costs: \$8,931,385
Texas Parks & Wildlife Department - Harvey Costs: \$8,000,000
Juvenile Justice Department - Surveillance Cameras: \$7,547,000
Lamar State College Port Arthur - Harvey Costs: \$6,319,458
Department of Public Safety - Helicopter Replacement: \$6,299,489
Texas Parks & Wildlife Department - Interoperable Radios: \$5,000,000
Texas Parks & Wildlife Department - Wyler Aerial Tramway Repair: \$5,000,000
Texas Department of Transportation - Edinburg Airport: \$5,000,000
University of Houston Downtown - Harvey Costs: \$4,000,000
Texas Department of Housing and Community Affairs - Affordable Rental Housing: \$4,000,000
Texas Historical Commission - Deferred Maintenance: \$2,886,250
Texas A&M Forest Service - Harvey Costs: \$2,458,240
Texas Historical Commission - Nimitz Museum: \$2,149,600
Texas Historical Commission - Levi Jordan Plantation: \$2,000,000
University of Houston Victoria - Harvey Costs: \$1,703,828
Lamar University - Harvey Costs: \$1,418,585
Lamar Institute of Technology - Harvey Costs: \$1,312,657
Lamar State College Orange - Harvey Costs: \$406,112
University of Houston Clear Lake - Harvey Costs: \$83,668

Economic Stabilization Fund appropriations increases of \$636,000,000 in the 2020-21 biennium as follows:

Texas Education Agency - FSP Harvey Costs: \$636,000,000
Teacher Retirement System - State Contribution: \$524,000,000

General Revenue Dedicated Account Appropriation increases of \$2,000,000 in fiscal year 2019 as follows:

General Land Office - Abandoned Vessel Removal: \$2,000,000

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 and the appropriation of \$524,000,000 from the Economic Stabilization Fund for the Teacher Retirement System, which is made for the state fiscal biennium ending August 31, 2021.

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.

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