

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 17, 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.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB500, Committee Report 2nd House, Substituted: a negative impact of (\$2,522,325,212) 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>Clean Air Account</i> 151	Appropriation out of <i>Federal Funds</i> 555
2019	\$1,900,580,957	\$2,000,000	\$375,000	\$2,314,797,524
2020	\$832,725,414	\$0	\$0	\$0

Fiscal Year	Appropriation out of <i>Economic Stabilization</i> <i>Fund</i> 599
2019	\$2,989,143,674
2020	\$1,294,210,000

General Revenue-Related Funds, Six-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2019	(\$1,900,580,957)
2020	(\$621,744,255)
2021	\$0
2022	\$0
2023	\$0
2024	\$0

All Funds, Six-Year Impact:

Fiscal Year	Probable Savings from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>Coastal Protection</i> <i>Acct</i> 27	Probable (Cost) from <i>Clean Air Account</i> 151
2019	\$744,568,082	(\$2,645,149,039)	(\$2,000,000)	(\$375,000)
2020	\$210,981,159	(\$832,725,414)	\$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 <i>Federal Funds</i> 555	Probable (Cost) from <i>Federal Funds</i> 555	Probable Savings from <i>Economic</i> <i>Stabilization Fund</i> 599	Probable (Cost) from <i>Economic Stabilization</i> <i>Fund</i> 599
2019	\$8,481,040	(\$2,323,278,564)	\$2,000,000	(\$2,991,143,674)
2020	\$0	\$0	\$0	(\$1,294,210,000)
2021	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0

Fiscal Year	Probable Revenue (Loss) from <i>Economic Stabilization</i> <i>Fund</i> 599
2019	(\$24,134,133)
2020	(\$108,329,006)
2021	(\$114,685,543)
2022	(\$117,664,506)
2023	(\$120,720,857)
2024	(\$123,856,608)

Fiscal Analysis

SB 500, 2nd Committee Report, Substituted provides for the following appropriation related provisions:

General Revenue-Related appropriations decreases of \$744,568,082 in fiscal year 2019 as follows:

- Texas Education Agency - Foundation School Fund: \$643,300,000
- General Land Office - Rebuild Housing: \$48,600,000
- Texas Public Finance Authority - Debt Service: \$35,078,954
- Texas Facilities Commission - Lease Payments: \$17,589,128

General Revenue-Related appropriations increases of \$2,645,149,039 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

Health & Human Service Commission - Children's Hospital Rate Increase: \$100,000,000
Department of Family and Protective Services - Foster Care: \$83,542,916
Health & Human Service Commission - Health Insurance Provider Fees: \$63,832,747
Health & Human Service Commission - Mental Health State Hospital Services: \$37,500,000
Texas Department of Criminal Justice - Officer Overtime: \$30,000,000
Health & Human Service Commission - Healthy Texas Women: \$14,000,000
Department of Family & Protective Services - Community Based Care: \$8,852,050
Department of State Health Services - X linked adrenoleukodystrophy: \$7,927,458
Health & Human Services Commission - State Supported Living Centers: \$7,200,000
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: \$3,500,000
Department of Family & Protective Services - Emergency Foster Care Placements: \$2,068,053
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: \$546,589
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

General Revenue-Related appropriations increases of \$832,725,414 in fiscal year 2020 as follows:

Teacher Retirement System - State Contribution: \$684,000,000
Employee Retirement System - State Contribution: \$148,725,414

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 \$2,323,278,564 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
Department of Family & Protective Services - Emergency Foster Care Placements: \$218,512

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 \$2,991,143,674 in fiscal year 2019 as follows:

Texas Education Agency - FSP Harvey Costs: \$905,500,000
Texas Department of Emergency Management - Matching Funds for FEMA Public Assistance Grants: \$400,000,000
Texas Department of Emergency Management - Matching Funds for FEMA Hazard Mitigation Grants: \$273,000,000
Texas Department of Transportation - Transportation Infrastructure Fund: \$250,000,000
Comptroller of Public Accounts - Texas Tomorrow Fund: \$210,981,159
General Land Office - Matching Funds for Army Corp of Engineers Programs: \$200,000,000
Texas Higher Education Coordinating Board - Texas Research Incentive Program: \$182,549,388
Health & Human Services Commission - Harvey Costs: \$110,000,000
Department of Public Safety - Harvey Costs: \$96,954,409

Texas A&M Forest Service - Wildfires: \$54,909,580
Office of the Governor - Army Futures Command: \$50,000,000
Texas Department of Criminal Justice - Harvey Costs: \$38,600,000
Department of State Health Services - Trauma Funding: \$30,000,000
Texas State Technical College - Facility Demolition: \$29,644,640
General Land Office - Harvey Costs: \$27,851,682
University of Houston - Harvey Costs: \$20,288,883
Texas Parks & Wildlife Department - Harvey Costs: \$17,000,000
Texas Southern University - Thermal Plant & Steam Tunnel Maintenance: \$16,000,000
Texas Parks & Wildlife Department - Wylor Aerial Tramway Repair: \$15,000,000
Lone Star College - Harvey Costs: \$13,100,000
Texas Education Agency - School District 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
Lamar State College Port Arthur - Harvey Costs: \$6,319,458
University of Houston Downtown - Harvey Costs: \$4,000,000
Texas A&M Forest Service - Harvey Costs \$2,458,240
Health & Human Service Commission - State Hospital Construction: \$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 \$1,294,210,000 in fiscal year 2020 as follows:

Teacher Retirement System - Additional Pension Payment: \$658,210,000
Texas Education Agency - FSP Harvey Costs: \$636,000,000

General Revenue Dedicated Account Appropriation increases of \$2,375,000 in fiscal year 2019 as follows:

General Land Office - Abandoned Vessel Removal: \$2,000,000
Texas Commission on Environmental Quality: \$375,000

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, which is made for the state fiscal year ending August 31, 2020. In addition, the appropriations of \$658,210,000 from the Economic Stabilization Fund for the Teacher Retirement System, \$684,000,000 from the General Revenue Fund for the Teacher Retirement System, and \$148,725,414 from the General Revenue Fund for the Employee Retirement System are for the state 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.

Fee revenue collected from expedited permit review surcharges in excess of the BRE appropriated to the Texas Commission on Environmental Quality was estimated by the Comptroller of Public

Accounts.

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