

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 8, 2019

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

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 prescribing limitations regarding appropriations.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB500, As Introduced: a negative impact of (\$1,449,497,694) through the biennium ending August 31, 2021.

Appropriations:

Fiscal Year	Appropriation out of General Revenue Fund 1	Appropriation out of Federal Funds 555	Appropriation out of Economic Stabilization Fund 599
2019	\$1,660,478,853	\$2,314,579,012	\$2,531,518,464
2020	\$0	\$0	\$0

General Revenue-Related Funds, Six-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2019	(\$1,660,478,853)
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 Savings from Federal Funds 555	Probable (Cost) from Federal Funds 555
2019	\$695,668,082	(\$2,356,146,935)	\$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

Fiscal Year	Probable (Cost) from Economic Stabilization Fund 599	Probable Revenue (Loss) from Economic Stabilization Fund 599
2019	(\$2,531,518,464)	(\$22,761,180)
2020	\$0	(\$65,842,742)
2021	\$0	(\$67,867,454)
2022	\$0	(\$69,625,710)
2023	\$0	(\$71,429,525)
2024	\$0	(\$73,280,081)

Fiscal Analysis

SB 500, 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 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 \$2,356,146,935 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
- Department of Family & Protective Services - Relative Caregiver: \$6,833,593
- Department of Public Safety - Crime Labs: \$5,770,426

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 \$2,531,518,464 in fiscal year 2019 as follows:

- Texas Education Agency - Harvey Costs: \$905,500,000

Teacher Retirement System - Pension Contributions: \$300,000,000
Employee Retirement System - Pension Contributions: \$300,000,000
Health & Human Services Commission - State Hospitals: \$300,000,000
Comptroller of Public Accounts - Texas Guaranteed Tuition Plan: \$210,981,159
Health & Human Services Commission - Harvey Costs: \$110,000,000
Department of Public Safety - Harvey Costs: \$100,000,000
Office of the Governor - Disaster Grants: \$100,000,000
Texas Education Agency - School Safety: \$100,000,000
Texas A&M Forest Service - Wildfires: \$54,923,481
Texas Department of Criminal Justice - Harvey Costs: \$38,600,000
Texas Workforce Commission - Harvey Costs: \$8,931,385
Texas A&M Forest Service - Harvey Costs: \$2,582,439

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 *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.

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