

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 11, 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 giving direction, including direction regarding reimbursement, and adjustment authority regarding appropriations.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB500, Committee Report 1st House, Substituted: 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> 1	Appropriation out of <i>Federal Funds</i> 555	Appropriation out of <i>Economic Stabilization Fund</i> 599	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:

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	(\$2,418,929,813)	\$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

Fiscal Year	Probable (Cost) from Economic Stabilization Fund 599	Probable Revenue (Loss) from Economic Stabilization Fund 599	Probable Revenue Gain from Texas Infrastructure Resiliency Fund	Probable (Cost) from Texas Infrastructure Resiliency Fund
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

Fiscal Year	Probable (Cost) from Clean Air Account 151
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