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

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**April 2, 2025**

**TO:** Honorable Gary VanDeaver, Chair, House Committee on Public Health

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE:** **SB5** by Huffman (Relating to the creation of the Dementia Prevention and Research Institute of Texas.), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB5, Committee Report 2nd House, Substituted: an impact of $0 through the biennium ending August 31, 2027.

The Dementia Prevention and Research Fund would initially be funded with a transfer of $3.0 billion from the General Revenue Fund as provided by the associated constitutional amendment. The fiscal impact from this transfer is shown in the fiscal note for SJR 3.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

## General Revenue-Related Funds, Five- Year Impact:

| *Fiscal Year* | Probable Net Positive/(Negative) Impact to *General Revenue Related Funds* |
|---|---|
| 2026 | $0 |
| 2027 | $0 |
| 2028 | $0 |
| 2029 | $0 |
| 2030 | $0 |

## All Funds, Five-Year Impact:

| *Fiscal Year* | Probable Savings/(Cost) from *New Other Fund - Dementia Prevention and Research Fund* | *Change in Number of State Employees from FY 2025* |
|---|---|---|
| 2026 | ($300,000,000) | 54.0 |
| 2027 | ($300,000,000) | 54.0 |
| 2028 | ($300,000,000) | 54.0 |
| 2029 | ($300,000,000) | 54.0 |
| 2030 | ($300,000,000) | 54.0 |

## Fiscal Analysis

The bill would amend the Health and Safety Code to establish the Dementia Prevention and Research Institute of Texas (DPRIT) to support research on dementia, Alzheimer's disease, Parkinson's disease, and related disorders. Research would be funded by grants from DPRIT through a transfer from the General Revenue Fund under section 68, Article III, Texas Constitution; legislative appropriations; gifts; grants; interest; dividends;

patent, royalty, and license income; and other income. The bill would establish a higher education advisory committee, an oversight committee, a program integration committee, and a peer review committee.

The bill would require that all appointments be made to the oversight committee no later than December 31, 2025. The oversight committee would not be able to begin official action until a majority of the appointed officers have taken office.

The bill would require the oversight committee to hire a chief executive officer and a chief compliance officer for DPRIT. The bill would authorize the chief executive officer to hire any other officer position the chief executive officer determines necessary.

The bill would establish in statute the Dementia Prevention and Research Fund as created under section 68, Article III, Texas Constitution. The fund would initially be funded with a transfer of $3.0 billion from the General Revenue Fund as provided by the associated constitutional amendment. The fiscal impact from this transfer is shown in the fiscal note for SJR 3. Additionally, the fund may consist of legislative appropriations, gifts, and grants. Any interest; dividends; patent, royalty, and license income earned by the fund would be deposited to the General Revenue Fund. Authorized uses of the fund are for awarding grants, including grants for dementia and related disorder research and for research facilities in this state to conduct dementia research; the purchase of research facilities by or for a grant recipient; and the operation of the institute.

Contingent on the passage of a constitutional amendment (SJR 3), the effective date of the bill is December 1, 2025.

**Note:** This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

## Methodology

The bill would authorize the institute to award grants of up to $300.0 million annually. The accompanying joint resolution (SJR 3) would make $300.0 million available for appropriation from the Dementia Prevention and Research Fund in fiscal year 2026 and $300.0 million and any unspent, previously appropriated amounts in each subsequent year.

This analysis assumes that DPRIT would be organized similarly to, and have similar administrative costs to the Cancer Prevention and Research Institute of Texas. This analysis assumes administrative costs of approximately $22,388,000 per year. This includes $6.8 million in staffing costs for 54.0 FTEs per year. Other administrative costs include rent, supplies, utilities, travel and professional services. Administrative costs would be paid out of the Dementia Prevention and Research Fund.

The amount of any patent, royalty, and license income cannot be determined.

## Local Government Impact

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 304 Comptroller of Public Accounts

**LBB Staff:** JMc, NPe, BRI, KK, SD