



# TEXAS LEGISLATIVE STUDY GROUP

*An Official Caucus of the Texas House of Representatives*

Representative:

Desk:

## **Bill Analysis for C.S. SB 500**

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Author: Nelson; SP: Zerwas

Recommendation: Favorable

SB 500 evaluated by: Brittany Sharp  
[brittany@texaslsg.org](mailto:brittany@texaslsg.org) 210-748-0646

SB 500 outlines the supplemental appropriations needed to fund services for the remainder of Fiscal Year 2019 as well as many funds directed toward Hurricane Harvey damage. The House Committee Substitute of SB 500 spends \$2.7 billion of General Revenue (GR), \$2.3 billion in federal funds (FF), and \$4.3 billion from the Economic Stabilization Fund (ESF) for an All Funds total of \$9.3 billion.

\*SB 500 requires a 2/3 vote in both chambers of the legislature because of the use of ESF funds.

\*SB 500 must be enacted by early May at the latest or the Health and Human Services Commission (HHSC) will have a cash flow problem for paying Medicaid healthcare providers.

### **Hurricane Harvey (HH) Related Items Only:**

Total of \$4.3 billion from the ESF

- Health and Human Services Commission- \$110,000,000 from ESF to Medicaid Client Services to replace money transferred because of Hurricane Harvey
- Texas Education Agency (TEA)- \$271,300,000 for increased student cost and reduction in property values due to HH. This achieves an equalized wealth level.
- TEA-\$634,200,000 for the adjustment of school district property values and reimbursement to school districts for disaster remediation costs
- TEA-\$636,000,000 from ESF for increased state costs under FSP resulting from reduction in school property values because of HH
- TDCJ- \$38,600,000 from ESF for agency operations expenses related to correctional security operations to replace money from HH
- DPS- \$34,954,406 from ESF for Organized Crime related to HH
- DPS-\$60,000,000 from ESF for Traffic Enforcement related to HH
- DPS-\$2,000,000 from ESF for Information Technology related to HH
- University of Houston-\$20,288,883
- University of Houston-Downtown-\$4,000,000
- University of Houston Victoria-\$1,703,828
- University of Houston Clear Lake- \$83,668
- Texas A&M Forest Service- \$2,458,239.76
- Lamar University-\$1,418,585
- Lamar Institute of Technology- \$1,312,657
- Lamar State College-Port Arthur- \$6,319,458
- Lamar State College- Orange-\$406,112
- General Land Office (GLO)- remove vessels and repair or replace structures of equipment damaged by hurricane Harvey
- GLO-\$696,921 from ESF for asset management
- GLO-\$20,459,797 from ESF for coastal management
- GLO-\$430,000 from ESF for coastal erosion control grants
- GLO-\$2,047,454 from ESF for oil spill response
- GLO- \$4,217,510 from ESF for FTE's assigned to build emergency short term housing related to HH. These funds are contingent on the nonrenewal of federal grant money by FEMA.
- GLO- \$2,000,000 from the coastal protection account for removal of vessels abandoned as a result of HH.
- Texas Parks and Wildlife Department- \$17,000,000 from ESF for repair structures or equipment damaged by HH
- Texas Workforce Commission- \$8,931,385 from ESF for vocational rehab services related to HH

### **Reductions in funding due to Unencumbered Balances:**

\*An appropriation may only be encumbered during the current budget. If an appropriation is not fully encumbered during the budget cycle, the unencumbered balance of the appropriation lapses. Reductions in funding are a result of the agency not expected to disburse the funding during the budget cycle ending in August 31, 2019.

#### **Public Finance Authority**

- \$35,078,954 to GR due to bond debt service payments

#### **Texas Facilities Commission**

- \$17,589,128 to GR due to lease payments

#### **Texas Education Agency (TEA)**

- \$643,000,000 to GR due to Foundation School Program (FSP) because of lower than estimated student enrollment and prior year adjustments and adjustments due to Hurricane Harvey costs that will be paid for with ESF.
- Sum certain for FSP for Fiscal Year 2019 is \$21,919,735,602

#### **Health and Human Services Commission**

- \$2,000,000 to ESF due to facility capital repairs and renovations

#### **General Land Office**

- \$48,600,000 to GR due to unexpended balances and costs related to rebuilding housing after Hurricane Harvey.

### **Additions in funding due to agency requests exceeding projections**

\*\*Items below do not include Hurricane Harvey Funding. Those items of funding are noted above in Hurricane Harvey gray box.

#### **Texas State Library and Archives**

- \$4,400,00 from GR to renovate the Promontory Point facility in Austin for the storage of public records

#### **Comptroller of Public Accounts**

- \$400,000 from GR for visiting judge assignments to fill district court vacancies
- \$546,589 from GR for reimbursing counties for longevity pay made to eligible assistant district attorneys

#### **Health and Human Services Commission**

- \$2,100,000,000 from GR and \$2,300,000,000 from FF for Medicaid client services shortfall.
  - Out of these funds \$5,500,000 will be transferred to Community Mental Health Crisis Services.
  - Additionally, HHSC will reserve an amount sufficient to reimburse providers for the cost of intensive behavioral intervention (ABA therapy) for children with autism spectrum disorder as a covered Medicaid benefit.
- \$6,154,893 transfer from Medicaid client services to Medicaid contracts and administration to use for contingency contracts
- \$63,832,747 from GR for providing health insurance providers fee as part of Medicaid client services
- \$14,000,000 from GR for Healthy Texas Women program
- \$37,500,000 from GR for Mental Health State Hospital Services
- \$3,500,000 from GR for Early Childhood Intervention
- \$7,200,000 from GR for State Supported Living Centers
- \$100,000,000 from GR for a rate increase for children's hospitals as part of Medicaid client services

#### **Department of Family Protective Services**

- \$83,542,916 from GR for foster care payments
- \$6,833,593 from GR for relative caregiver payments. A reduction of \$8,481,040 to Temporary Assistance to Needy Family (TANF) funds from Relative Caregiver Payments. These federal funds cannot be used for this purpose.
- \$23,060,052 from federal Child Care and Development Block Grant fund for day care payments contracted through the Texas Workforce Commission.
- \$8,852,050 from GR for CBC in Region 3B- Fort Worth area.

#### **Department of State Health Services**

- \$7,927,458 from GR for screening newborns for X- linked adrenoleukodystrophy (X-ALD) new born screenings.

#### **Texas Education Agency**

- \$37,657 from GR for adult high school diploma and industry certification charter school pilot program.
- \$634,200,000 for the adjustment of school district property values and reimbursement to school districts for disaster remediation costs

#### **Higher Education Institutions**

- **Kilgore College**- \$1,238,238 from GR for state contributions for Higher Education Group Insurance (HEGI) for health benefits.
- **Texas State Technical College Waco**- \$29,644,640 from GR for abatement and demolition of certain facilities on campus.
- **Texas Southern University**- \$16,000,000 maintenance of university central thermal plant and site/steam tunnels.

#### **Texas Department of Criminal Justice**

- \$160,000,000 from GR for Correctional Managed Health Care
- \$30,000,000 from GR for correctional officer overtime

#### **Department of Public Safety**

- \$5,770,426 from GR for crime lab operations.

#### **General Land Office**

- \$2,000,000 from the coastal protection account for removal of vessels abandoned as a result of Hurricane Harvey.

#### **Texas Commission for Environmental Quality**

- All fee revenues collected from expedited permit review surcharges assessed under the Texas Clean Air Act and deposited to the Clean Air account in excess of estimate amount in the Biennial Revenue Estimate for costs incurred to support the expedited processing of permit applications.
- \$1,400,000 from GR for certain litigation expenses related to Rio Grande River Compact
- \$1,700,000 increase for capital budget items for security upgrades and replacing carpet.

#### **Teacher Retirement System (TRS)**

- \$684,000,000 from GR for state contribution to TRS pension trust account. These funds are contingent on HB 9.

#### **Employees Retirement System**

- \$148,725,414 from GR to increase the state contribution rate by 1.5%. These funds will be deposited into the Employees Retirement System Trust Account.