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## Conference Committee Report Analysis for Senate Bill 500 Sunday, May 26, 2019

Author: Rep. John Zerwas      Committee: Appropriations  
Recommendation: Favorable, with Concerns

CCR SB 500 Evaluated By: Brittany Sharp  
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### SUMMARY

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 version of SB 500 passed out of the House spent \$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. The Conference Committee Substitute of SB 500 spends \$1.7 billion of General Revenue (GR), \$2 million from the Coastal protection account, \$2.1 billion of Federal Funds (FF), and \$6.1 billion in Economic Stabilization Fund for an All Funds total of \$9.9 billion. SB 500's conference report proposes net new depending of General Revenue totaling \$1.5 billion, plus \$6.1 billion from the Economic Stabilization Fund. Many appropriations not funded in HB 1 can be found in SB 500. Many appropriations found in the version of HB 1 as passed out of the House can be found in SB 500. Concerns include providing school hardening funds without funding for mental health needs in our schools and the funding for

### Supplemental Appropriations Guidelines

- SB 500 requires a 2/3 vote in both chambers of the legislature because of the use of ESF funds.
- If a state agency or public institution of higher education receives reimbursement from the federal government, an insurer or another source, the agency or institution will reimburse the state the amount appropriated and spent for that expenditure or the amount reimbursed by the other source for that expenditure.
- Additionally, the Comptroller of Public Accounts shall deposit the amount back to the economic stabilization fund

### Reductions in funding due to Unencumbered Balances:

An appropriation may only be encumbered during the current budget biennium. If an appropriation is not fully encumbered during the budget cycle, the unencumbered balance of the appropriation lapses. The reductions in funding listed below are the result of the agency not being expected to disburse these funds in the current budget cycle.

#### Facilities Commission

- \$22.6 million in reduced GR payments for lease payments.

#### Public Finance Authority

- \$35.1 million in reduced GR payments for debt service payments

#### Office of the Attorney General

- \$21.8 million in reduced GR payments from the Child Support Enforcement System 2.0 project. As of the effective date of SB 500 the Child Support Enforcement System 2.0 project will be canceled.

#### Health and Human Services Commission

- \$2 million in reduced ESF payments for State Hospital Construction

#### Department of Family and Protective Services

- \$8.5 million in reduced federal Temporary Assistance for Needy Families (TANF) payments from relative caregiver payments

#### Texas Education Agency

- \$903.3 million in reduced GR payments due to adjustments to the Foundation School Program


#### General Land Office:

- \$48.6 million in reduced payments to the Rebuild Housing strategy

### Supplemental funding due to agency requests exceeding projections:

#### Comptroller of Public Accounts:

- \$210.9 million appropriated from the ESF to the Texas Tomorrow Fund. This is the amount necessary to fund this program for the next biennium.

OK for Distribution  Rep Garnet Coleman

- Contingent on SB 7 or similar legislation \$857 million will be deposited to the Texas Infrastructure Resiliency Fund
- Contingent on SB 7 or similar legislation \$793 million will be deposited to the Flood Infrastructure Fund

### **Trusted Programs within the Office of the Governor:**

- \$100 million from the ESF for Disaster Grants
- \$100 million from the ESF for Surge Operations. Border security is a federal issue and using state funds for this purpose is not good policy especially when it is unclear how the funds will be used. There is legislative intent for the reimbursement of these funds by the federal government. However, that is not certain, and Texas has never been reimbursed for border security funding.

### **Library and Archives Commission**

- \$4.4 million from the ESF for the Library and Archives Commission. These funds will be used for renovating the Promontory Point Drive facility in Austin, for the storage of public records.

### **Texas Historical Commission:**

- \$2.1 million from the ESF to National Museum of the Pacific War. These funds will be used for capital projects including:
  - Updates to the electrical, security, and heating, ventilation, and air conditioning systems;
  - Projects to address accessibility issues;
  - Exterior, roofing, and structural repairs to the Nimitz Barn maintenance area;
  - Refurbishment of the Bush Gallery to address wear and tear from visitor volume;
  - Technology upgrades to exhibits in the Bush Gallery.
- \$25 million from the ESF for Court House Preservation Grants
- \$2.9 million from the ESF for Deferred Maintenance
  - \$300,000 for Architectural Assistance
  - \$2.6 million for Historic Sites
- \$2 million from the ESF for historic site planning at the Levi Jordan Plantation

### **Department of Family and Protective Services:**

- \$88.6 million from the GR for Foster Care
- \$6.8 million from the GR for relative caregiver payments
- \$5 million from the federal Child Care and Development Block Grant for Day Care
- \$21.3 million from GR for Purchased Client Services
  - \$4.9 million for Adoption Purchased Services
  - \$10.6 million for Substance Abuse Purchased Services
  - \$5.8 million for Other CPS Purchased Services

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

- \$7.9 million from the GR for X-ALD newborn screening
- \$12 million from the ESF for an Emergency Generator for the Austin laboratory
- \$17 million from the ESF for Trauma Capacity and Response Infrastructure
  - \$2 million for trauma service area regional advisory councils for improving emergency management services
  - \$15 million for hospitals that demonstrate regional need and the ability to efficiently and effectively increase trauma capacity and improve related trauma response infrastructure
    - At least 40% must be used to fund hospitals in the Rio Grande Valley
    - Not more than 40 % may be used to fund hospitals located in a region directly affected by Hurricane Harvey

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

- \$2 billion from the GR and \$2.2 billion in FF for the Medicaid Shortfall
  - \$5.5 million to Community Mental Health Crisis Services
  - \$2 million Community Mental Health Services for children
- \$50 million from GR for a Rate Increase for Children's Hospitals
- \$110 million from the ESF to replace money transferred from Medicaid client services to address Hurricane Harvey Needs
- \$445.4 million from the ESF for State Hospital Construction
  - \$90.1 million for the construction of a 100-bed non-maximum security unit at Rusk State Hospital
  - \$165 million to begin construction of a 240-bed replacement campus of Austin State Hospital
  - \$190.3 million to begin construction of a 300-bed replacement campus of San Antonio State Hospital
- Within agency transfer of \$6.2 million from Medicaid Client Services to Medicaid administrative purposes
- \$10.3 million from GR for the Healthy Texas Women Shortfall
- \$31.7 million from GR to Mental health state hospitals
- \$1.5 million from GR for Early Childhood Intervention
- \$10.1 million from GR for the State Supported Living Centers
- \$63.8 designated for the health insurance providers fee can be used for Medicaid client services.

### **Texas Education Agency**

- \$219,554,812 from the ESF for Special Education Supports and maintenance of state financial support for special education
  - \$33.3 million to offset federal funds expected to be withheld because of a failure to maintain state support for special education.
  - \$74.6 million to negotiate a settlement agreement with the federal government as a result of the failure to maintain state financial support for special education.
  - \$111.6 million for strategies to prevent a failure to maintain state financial support for special education

- \$50 million for Students with Disabilities grants for school districts
  - \$478,500 for information technology needs related to special education funding
  - \$61.1 million for special education FSP funding
- The Texas Education Agency is required to provide a report to the Legislative Budget Board and Office of the Governor regarding the use of these funds.
- \$10.9 million from the ESF for the Post Disaster School Safety to provide a grant to Santa Fe High School and any other school that experience a school shooting resulting in one or more deaths in the 2018-2019 biennium.
- \$100 million from the ESF for additional appropriations for school hardening. These funds can be used to purchase:
  - Exterior doors with push bars
  - Metal detectors at school entrances
  - Erected vehicle barriers
  - Security systems that monitor and record school entrances, exits, and hallways
  - Campus-wide active shooter alarm systems that are separate from fire alarms
  - Two-way radio systems
  - Entrances; and perimeter security fencing
  - Bullet-resistant glass
  - Door-locking systems

School hardening efforts are not the most effective way to keep our schools safe. A mixture of school hardening and mental health care is the best way to address school safety.

- The following funds are related to Hurricane Harvey and appropriated from the ESF:
  - \$271.3 million for increased student costs, reduction in school district property values, and the reduction of the amount owed by school districts due to disaster remediation costs
  - \$535.2 million for the adjustment of school district property values and disaster remediation cost reimbursements to school districts
  - \$636 million from the ESF to the TEA for increased state costs under the Foundation School Program from the reduction in school district property values associated with Hurricane Harvey
- \$37,657 from the GR for adult high school diploma and industry certification charter school pilot program

### **Institutions of Higher Education**

- \$10.2 million from the ESF for to University of Texas at Austin Marine Science Institute for storm damage prevention, compliance, and mitigation of damages related to Hurricane Harvey
- \$20.3 million from the ESF to the University of Houston for expenses related to Hurricane Harvey
- \$83,668 from the ESF to the University of Houston- Clear Lake for expenses related to Hurricane Harvey
- \$4 million from the ESF to the University of Houston- Downtown for expenses related to Hurricane Harvey
- \$1.7 million from the ESF to the University of Houston- Victoria for expenses related to Hurricane Harvey
- \$16 million from the ESF to Texas Southern University for the university's thermal plant and steam tunnel maintenance
- \$1.4 million from the ESF to Lamar University for property damage related to Hurricane Harvey
- \$1.3 million from the ESF to Lamar Institute of Technology for property damage related to Hurricane Harvey
- \$406,112 from the ESF to Lamar State College- Orange for property damage related to Hurricane Harvey
- \$6.3 million from the ESF to Lamar State College Port Arthur for property damage related to Hurricane Harvey
- \$29.6 million from the GR to Texas State Technical College System Administration for facility abatement and demolition on the Waco campus.
- \$2.5 million from the ESF to Texas A&M Forest Service for expenses related to Hurricane Harvey
- \$54.9 million from the ESF to Texas A&M Forest Service for expenses related to wildfires
- \$1.2 million from GR to Kilgore college for higher education group insurance contributions
- \$13.1 million from GR to Lone Star College System for expenses related to Hurricane Harvey

### **Judiciary Section, Comptrollers Department:**

- \$400,00 from the GR for Visiting Judges' Program
- \$523,295 from the GR for longevity pay for eligible assistant district attorneys

### **Department of Criminal Justice**

- \$26 million from ESF for surveillance cameras
- \$24.2 million from the ESF for corrections information technology system project
- \$54 million from the ESF for repair and rehabilitation of buildings and facilities
- \$190 million from the GR for correctional managed health care
- \$38.6 million from the ESF for replacement of money transferred to address needs resulting from Hurricane Harvey
- \$30 million from the GR for corrections officer overtime

### **Juvenile Justice Department**

- \$7.5 million from the ESF for surveillance cameras

### **Department of Public Safety**

- \$6.2 million from the ESF for helicopter replacement
- \$5.8 million from the GR for Crime Laboratories
- \$96.9 million from the ESF expenses related to Hurricane Harvey and other natural disasters
  - \$34.9 million for the Organized Crime strategy
  - \$60 million for the Traffic Enforcement strategy
  - \$2 million for the Information Technology strategy

### **Texas Commission on Environmental Quality**

- \$1.4 million from the GR for expedited processing of permit applications
- \$1.4 million from the GR for Litigation Expenses

- \$1.7 million for security upgrades and the replacement of carpet

## **General Land Office**

- Expenses Related to Hurricane Harvey:
  - \$696,921 for Asset Management
  - \$20.5 million for Costal Management
  - \$430,000 for Coastal Erosion Control Grants
  - \$2 million for Oil Spill Response
  - Contingent on the non-renewal of federal grant funding through the Federal Emergency Management Agency for emergency short-term housing, \$2.1 million will be appropriated from the ESF for additional FTEs for emergency short-term housing building.
- \$2 million from the GR-D (Costal Protection Account) for abandoned vessel removal
- \$200 million from the ESF for matching funds for US Army Corps of Engineers programs

## **Parks and Wildlife Department**

- \$35.5 million from the ESF to Battleship Texas
  - \$35 million for the Improvements and Major Repairs strategy
  - \$500,000 for the State Park Operations strategy
  - These appropriations must be used to conduct a curatorial study of artifacts associated with the Battleship Texas
- \$8 million from the ESF for expenses related to Hurricane Harvey
- \$5 million from the ESF for the purchase of interoperable radios
- \$5 million from the ESF for the Wylar Aerial Tramway and the related tramway system

## **Soil and Water Conservation Board:**

- \$150 million from the ESF for dam infrastructure projects

## **Water Development Board**

- \$273 million from the ESF for matching funds for FEMA hazard mitigation grant program
  - Contingent on the passage of SB 7, the appropriation of this money will have no effect and an additional \$273 million will be appropriated from the Texas infrastructure resiliency fund for this purpose.
- \$365 million from the ESF for matching funds for FEMA Public Assistance grant program
  - Contingent on the passage of SB 7, the appropriation of this money will have no effect and an additional \$365 million will be appropriated from the Texas infrastructure resiliency fund for this purpose.
  - Out of the monies \$30 million may only be used to provide a grant to Harris County to remove accumulated siltation and sediment deposits at the confluence of the San Jacinto River and Lake Houston
- \$47 million from the ESF for state flood risk maps and a state flood plan
  - \$43.97 million to Perform Community Assistance Related to NFIP
  - \$1.3 million for Central Administration
  - \$1.7 million for Information Resources
  - Contingent on the passage of SB 7, the appropriation of this money will have no effect and these funds will be appropriated from the floodplain management account in the Texas infrastructure resiliency fund for this purpose.
  - The money from either of these sources of appropriations may be used to add 22 FTEs in FY 2020 and 36 FTEs in FY 2021
- Flood infrastructure projects
  - \$790.8 million to Perform Community Assistance related to NFIP
  - \$995,000 for the Central Administration
  - \$1.3 million for the Information Resources
  - Contingent on the passage of SB 7, the appropriation of this money will have no effect and these funds will be appropriated from the floodplain management account in the Texas infrastructure resiliency fund for this purpose.
  - The money from either of these sources of appropriations may be used to add 9 FTEs in FY 2020 and 15 FTEs in FY 2021

## **Department of Transportation:**

- \$125 million from the ESF for the transportation infrastructure fund
- \$5 million from the ESF for emergency and first responder airport facilities

## **Department of Housing and Community Affairs**

- \$4 million from the ESF for affordable rental housing in certain areas affected by natural disasters

## **Texas Workforce Commission**

- \$8.9 million from the ESF for expenses related to Hurricane Harvey

## **Board of Pharmacy**

- \$6.1 million from GR for the prescription monitoring program

## **Teacher Retirement System**

- \$589 million from the ESF for a one-time additional payment also known as a 13<sup>th</sup> check.
- \$524 million from the ESF for the state contribution
  - \$263 million for FY 2020
  - \$261 million for FY 2021