

## **BILL ANALYSIS**

Senate Research Center

S.B. 500  
By: Nelson  
Finance  
3/6/2019  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Each legislative session, state agencies project the costs of fulfilling their functions and providing important services for the following two-year budget period. This information, combined with the biennial estimate of revenues submitted to the governor and the legislature before the convening of each regular session, is a key component in the construction of the General Appropriations Act.

S.B. 500 seeks to make supplemental appropriations and give direction and adjustment authority regarding certain appropriations to address revised revenue estimates and supplemental needs.

As proposed, S.B. 500 amends current law relating to making supplemental appropriations and reductions in appropriations and prescribing limitations regarding appropriations.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

**SECTION 1. APPROPRIATION REDUCTIONS: PUBLIC FINANCE AUTHORITY.** (a) Reduces by a total aggregate of \$35,078,954 the unencumbered appropriations from the general revenue fund to the Texas Public Finance Authority (TPFA) made by Chapter 650 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), for use during the state fiscal biennium ending August 31, 2019, for bond debt services payments, including appropriations subject to Rider 2, page I-48, Chapter 650 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), to the appropriations to the authority.

(b) Requires TPFA to identify the strategies and objectives to which the reductions made by Subsection (a) of this section are to be allocated and the amount of the reduction for each of those strategies and objectives.

**SECTION 2. APPROPRIATION REDUCTIONS: FACILITIES COMMISSION.** (a) Reduces by a total of \$17,589,128 the unencumbered appropriations from the general revenue fund to the Texas Facilities Commission (TFC) made by Chapter 650 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), for use during the state fiscal biennium ending August 31, 2019.

(b) Requires TFC to identify the strategies and objectives to which the reductions made by Subsection (a) of this section are to be allocated and the amount of the reduction for each of those strategies and objectives.

**SECTION 3. APPROPRIATION REDUCTION: TEXAS EDUCATION AGENCY.** (a) Reduces the unencumbered appropriations from the Foundation School Fund No. 193 made by Chapter 605 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), to the Texas Education Agency (TEA) for use during the state fiscal biennium ending August 31, 2019, by \$643,000,000 from Strategy A.1.1., Foundation School Program-Equalized

Operations Chapter 650 (S.B. 1), Acts of 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

(b) Provides that, notwithstanding Rider 3, page III-5, to the bill pattern of the appropriations to TEA in Chapter 650 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), the sum certain appropriation to Foundation School Program for the state fiscal year ending August 31, 2019, is \$21,919,735,602.

**SECTION 4. TEXAS EDUCATION AGENCY: ADDITIONAL APPROPRIATIONS FOR SCHOOL SAFETY.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$100,000,000 is appropriated from the Economic Stabilization Fund (ESF) to TEA for the two-year period beginning on the effective date of this Act to provide funding to school districts and charter schools for exterior doors with push bars; metal detectors at school entrances; erected vehicle barriers; security systems that monitor and record entrances, exits, and hallways; and campus-wide active shooter alarm systems that are separate from fire alarms under Strategy B.2.2., Health and Safety, as listed in Chapter 605 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

**SECTION 5. COMPTROLLER OF PUBLIC ACCOUNTS: TEXAS GUARANTEED TUITION PLAN.** Provides that, in addition to amounts previously appropriated to the comptroller of public accounts of the State of Texas (comptroller) for the state fiscal biennium ending August 31, 2019, an estimated \$210,981,159 is appropriated from the ESF to the comptroller of public accounts for the two-year period beginning on the effective date of this Act, for the purpose of depositing that amount in the Texas Tomorrow Fund created under Section 19 (Texas Tomorrow Fund), Article VII, Texas Constitution.

**SECTION 6. EMPLOYEES RETIREMENT SYSTEM: RETIREMENT CONTRIBUTION.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$300,000,000 is appropriated from the ESF to the Employees Retirement System for the state fiscal year ending August 31, 2019, for a state contribution to be deposited into the State Employees Retirement System Trust Account.

**SECTION 7. OFFICE OF THE GOVERNOR-TRUSTEED PROGRAMS: DISASTER GRANTS.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$100,000,000 is appropriated from the ESF to the Office of the Governor-Trusteed Programs for the two-year period beginning on effective date of this Act to fund disaster grants under Strategy A.1.1., Disaster Funds as listed in Chapter 650 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

**SECTION 8. HEALTH AND HUMAN SERVICES COMMISSION: HURRICANE HARVEY-RELATED EXPENSES.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$110,000,000 is appropriated from ESF to the Health and Human Services Commission (HHSC) for the state fiscal year ending August 31, 2019, for Medicaid client services resulting from a transfer of funds to disaster assistance programs to address needs resulting from Hurricane Harvey under Strategy A.1.5., Children, as listed in Chapter 605 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

**SECTION 9. HEALTH AND HUMAN SERVICES COMMISSION: MEDICAID SHORTFALL.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$2,100,000,000 is appropriated from the general revenue fund, and \$2,300,000,000 is appropriated from federal funds, to HHSC for the state fiscal year ending August 31, 2019, for Medicaid client services under Goal A, Medicaid Client Services, as listed in Chapter 605 (S.B. 1), Acts of 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

**SECTION 10. HEALTH AND HUMAN SERVICES COMMISSION: STATE HOSPITALS.** (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$300,000,000 is appropriated from the ESF to HHSC for the two-year period

beginning on the effective date of this Act, to continue improvements to state hospital facilities under G.4.2., Facility Capital Repairs and Renovations, as listed in Chapter 605 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

SECTION 11. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES: FOSTER CARE. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$83,542, 916 is appropriated from the general revenue fund to the Department of Family and Protective Services (DFPS) for the state fiscal year ending August 31, 2019, for foster care payments under B.1.9., Foster Care Payments, as listed in Chapter 650 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

SECTION 12. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES: RELATIVE CAREGIVER PAYMENTS. (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$6,833,593 is appropriated from the general revenue fund to DFPS for the state fiscal year ending August 31, 2019, for Relative Caregiver Payments under B.1.11., as listed in Chapter 650 (S.B.1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

(b) Reduces the unencumbered appropriations from federal funds (TANF) to DFPS made by Chapter 650 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), for use during the state fiscal biennium ending August 31, 2019, by \$8,481,040, for relative caregiver payments under B.1.II., Relative Caregiver Payments, as listed in Chapter 650 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

SECTION 13. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES: DAY CARE. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$23,060,052 is appropriated from federal funds (Child Care Development Block Grant), to DFPS for the state fiscal year ending August 31, 2019, for day care payments under B.1.3., TWC Contracted Day Care, as listed in Chapter 650 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

SECTION 14. TEXAS EDUCATION AGENCY: HURRICANE HARVEY-RELATED EXPENSES. (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, the following amounts are appropriated from the ESF to TEA for the state fiscal year ending August 31, 2019, for Strategy A.1.1., FSP - Equalized Operations, as listed in Chapter 605 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), for the following purposes related to increased state costs in the Foundation School Program resulting from Hurricane Harvey:

(1) \$271,300,000 for:

(A) increased student costs;

(B) the reduction in school district property values; and

(C) the reduction of the amount owed by school districts under Chapter 41 (Equalized Wealth Level), Education Code, due to disaster remediation costs as provided by Section 41.0931 (Disorder and Remediation Costs), Education Code; and

(2) \$634,200,000 for the adjustment of the school district property values under Section 42.2523 (Adjustment for Property Value Affected by Statute of Disaster), Education Code, and reimbursement to school districts for disaster remediation costs under Section 432.2524 (Reimbursement for Disaster Remediation Costs), Education Code.

SECTION 15. TEACHER RETIREMENT SYSTEM: RETIREMENT CONTRIBUTION. Provides that, in addition to amounts previously appropriated for the fiscal biennium ending August 31, 2019, \$300,000,000 is appropriated from the ESF to the Teacher Retirement System

for the state fiscal year ending August 31, 2019, for a state contribution to be deposited into the Teacher Retirement System Pension Trust Fund No. 960.

**SECTION 16. TEXAS A&M FOREST SERVICE: HURRICANE HARVEY-RELATED EXPENSES.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$2,582,439 is appropriated from the ESF to the Texas A&M Forest Service for the state fiscal year ending August 31, 2019, to pay for expenses related to Hurricane Harvey.

**SECTION 17. TEXAS A&M FOREST SERVICE: WILDFIRES.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$54,923,481 is appropriated out of the ESF to the Texas A&M Forest Service for the state fiscal year ending August 31, 2019, to pay for expenses related to wildfires.

**SECTION 18. DEPARTMENT OF CRIMINAL JUSTICE: HURRICANE HARVEY-RELATED EXPENSES.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$38,600,000 is appropriated from ESF to the Texas Department of Criminal Justice (TDCJ) for the state fiscal year ending August 31, 2019, for agency operations under Strategy C. 1. 1., Correctional Security Operations, as listed in Chapter 605 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

**SECTION 19. DEPARTMENT OF CRIMINAL JUSTICE: CORRECTIONAL MANAGED HEALTH CARE.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$160,000,000 is appropriated from the general revenue fund to TDCJ for the state fiscal year ending August 31, 2019, for correctional managed health care under Strategy C. 1. 9., Hospital and Clinical Care, as listed in Chapter 605 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

**SECTION 20. DEPARTMENT OF PUBLIC SAFETY: EXPENSES RELATED TO HURRICANE HARVEY.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, the following amounts are appropriated from the ESF to the Department of Public Safety of the State of Texas (DPS) for the state fiscal year ending August 31, 2019, for the following strategies as listed in Chapter 605 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), for agency operations expenses related to Hurricane Harvey:

- (1) \$38,000,000 for Strategy A.1.1., Organized Crime;
- (2) \$60,000,000 for Strategy C.1.1., Traffic Enforcement; and
- (3) \$2,000,000 for Strategy G.1.3., Information Technology.

**SECTION 21. DEPARTMENT OF PUBLIC SAFETY: CRIME LABORATORIES.** Provides that in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, \$5,770,426 is appropriated from the general revenue fund to DPS for the state fiscal year ending August 31, 2019, for purpose of crime laboratory operations under Strategy E.1.1., Crime Laboratory Services, as listed in Chapter 605 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

**SECTION 22. GENERAL LAND OFFICE: HURRICANE HARVEY-RELATED EXPENSES.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, certain amounts are appropriated from the ESF to the General Land Office for the state fiscal year ending August 31, 2019, to pay for expenses related to Hurricane Harvey under certain strategies as listed in Chapter 605 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act). Sets forth strategies and the amounts of the appropriations.

**SECTION 23. PARKS AND WILDLIFE DEPARTMENT: HURRICANE HARVEY-RELATED EXPENSES.** Provides that, in addition to amounts previously

appropriated for the state fiscal biennium ending August 31, 2019, a specified amount from the ESF is appropriated to the Parks and Wildlife Department for the state fiscal year ending August 31, 2019, to pay for expenses related to Hurricane Harvey under Strategy D.1.1., Improvements and Major Repairs, as listed in Chapter 605 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

**SECTION 24. TEXAS WORKFORCE COMMISSION: HURRICANE HARVEY-RELATED EXPENSES.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2019, the Texas Workforce Commission is appropriated for the state fiscal year ending August 31, 2019 \$8,931,385 from the ESF to provide vocational rehabilitation services under Strategy A.2.1, Vocational Rehabilitation, as listed in Chapter 605 (S.B. 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act).

**SECTION 25. CERTAIN APPROPRIATIONS FOR DISASTER RELIEF: HIGHER EDUCATION COSTS.** (a) Provides that a certain amount is appropriated out of the ESF for the two-year period beginning on the effective date of this Act for the purpose of providing disaster relief in accordance with this section. Provides that the prior approval of the Legislative Budget Board (LBB) given or considered to be given or considered to be given as provided by this subsection is required to expend funds for the purpose of providing reimbursements for post disaster recovery expenditures. Requires the entity to provide information regarding proposed expenditures of funds for this purpose to the LBB in a format provided by LBB.

**SECTION 26. CERTAIN APPROPRIATIONS FOR DISASTER RELIEF: STATE AGENCY COSTS.** (a) Provides that a certain amount is appropriated out of the ESF to a certain entity for the two-year period beginning on the effective date of this Act for the purpose of providing disaster relief in accordance with this section. Provides that the prior approval of the LBB given or considered to be given as provided by this subsection is required to expend funds for the purpose of providing reimbursements for post disaster recovery expenditures. Requires the entity to provide information regarding proposed expenditures of funds for this purpose to the LBB in a format provided by the LBB. Provides that the proposed expenditure is considered automatically approved if the LBB does not disapprove a proposed reimbursement for post disaster recovery expenditure within 10 days of receiving the required information.

**SECTION 27. REIMBURSEMENT TO ECONOMIC STABILIZATION FUND.** Provides that if any state agency or institution of higher education receives reimbursement from the federal government, an insurer, or another source for an expenditure paid for or reimbursed under this Act, the agency or institution is required to reimburse the state in an amount equal to the amount of the ESF expended for damages that is proportional to the total expenditures for damages described under this Act, and that that amount is required to be deposited to the credit of the ESF.

**SECTION 28.** Provides that this Act takes effect only if it receives a vote of two-thirds of members present in each house of the legislation, as provided by Section 49-g(m), Article III, Texas Constitution.

**SECTION 29.** Effective date: upon passage.