

January 24, 2018

The Honorable George P. Bush Commissioner General Land Office P.O. Box 12873 Austin, Texas 78711-2873

Mr. Bryan Collier Executive Director Texas Department of Criminal Justice P.O. Box 13084 Austin, Texas 78711-3084

Dear Commissioner Bush and Mr. Collier:

By any measure, Hurricane Harvey was one of the largest natural disasters in our country's history. Even before the storm came ashore, Texas began to muster what has been widely viewed as a model for emergency response. And since the rain stopped and the storms cleared, Texas has been determined to mount the fastest and most comprehensive recovery and rebuilding effort. To that end, we have worked with the state agencies assisting in the recovery and rebuilding process to ensure that they have ready access to any resource necessary.

Part of that effort includes state agencies having access to sufficient capital. Section 14.04 of Article IX, General Appropriations Act, 85th Legislature, anticipates the need to make certain transfers of appropriated dollars when disaster strikes and the Legislature is not in session.

Thus, for instance, the General Land Office (GLO) has already notified the Legislative Budget Board (LBB) and the Office of the Governor (OOG) of its intent to spend \$12 million of Fiscal Year 2019 funds. And through the funds provided by the Legislature, the Governor's Disaster Fund has already granted \$10 million to GLO to provide the cash flow and the Federal Emergency Management Agency-required match necessary to help the victims of Hurricane Harvey return home as quickly as possible.

GLO has now requested \$38.6 million to continue funding critical housing programs. In Section 14.04 of Article IX, General Appropriations Act, 85th Legislature, the Legislature also provided LBB and the governor the ability to approve transfers between agencies to ensure that recovery efforts are not impeded. Because we find that the direct housing program being administered by GLO is imminently necessary to our recovery and rebuilding efforts in the aftermath of Hurricane Harvey, today we approve

The Honorable George P. Bush Mr. Bryan Collier January 24, 2018 Page 2

the transfer of \$38.6 million from the Texas Department of Criminal Justice (TDCJ) Fiscal Year 2019 appropriation to GLO.

We know you share our goal of assuring Texas taxpayers that the funds being used to recover and rebuild are being carefully stewarded. In order to enhance transparency and ensure continuing accountability, the following procedures should be followed:

- Any contract awarded by GLO for Hurricane Harvey shall be procured in accordance with state law and contract oversight policies and be identified as Hurricane Harvey-related in the LBB contracts database;
- GLO shall follow any guidance issued by the Comptroller of Public Accounts and LBB with respect to Hurricane Harvey reporting requirements, including requirements for USAS; and
- GLO shall return any unneeded and unused amount of the \$38.6 million to TDCJ at the earliest date practicable.

This transfer is an interim means of financing a portion of the state's disaster response. To the extent GLO does not have unneeded or unused funds to return, it is our intent to appropriate to TDCJ \$38.6 million in the supplemental appropriations bill passed by the 86th Legislature to replace the transfer we are authorizing today. This transfer of funds should in no way impact TDCJ daily operations, as we will ensure the funding is restored before it is needed for the agency to complete Fiscal Year 2019. Please contact LBB and OOG's Budget Office with any questions.

Sincerely,

Governor

Joe Straus

Speaker of the House

Dan Patrick

Lieutenant Governor

Jane Nelson

Chair, Senate Committee on Finance

John Zerwas

Chair, House Committee on Appropriations

cc: The Honorable Glenn Hegar, Comptroller of Public Accounts

Ms. Ursula Parks, Director, Legislative Budget Board