

BILL ANALYSIS

C.S.H.B. 7
By: Heflin
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

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, are key components to the construction of a General Appropriations Act -- and themselves are comprised of projections related to caseload, population, and enrollment growth, as well as other economic factors. The months following the adjournment of the 77th Legislature brought about conditions unforeseen by agency or economic forecasters, as health care expenses continued to spiral upward, while state economic indicators declined. Committee Substitute House Bill 7 makes adjustments in appropriations for Fiscal Year 2003 (September 1, 2002 - August 31, 2003) to meet revised revenue forecasts.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Committee Substitute House Bill 7 appropriates \$460,300,000 out of the Economic Stabilization Fund 0599 to the Health and Human Services Commission for use during the remainder of Fiscal Year 2003 for the purpose of providing services under the state Medicaid acute care program. This appropriation may be expended only if Medicaid expenditures exceed other available revenue due to changes in caseloads, costs or federal match rates and the Commission has used all other revenue available and appropriated to the Medicaid program.

Committee Substitute House Bill 7 appropriates \$6,900,000 out of the Economic Stabilization Fund 0599 to the Department of Health for use during the remainder of Fiscal Year 2003 for the purpose of Medicaid programs, including Texas Health Steps and the Medical Transportation Program.

Committee Substitute House Bill 7 appropriates \$26,400,000 out of the Economic Stabilization Fund 0599 to the Health and Human Services Commission for use during the remainder of Fiscal Year 2003 for the purposes of providing services under the Children's Health Insurance Program.

Committee Substitute House Bill 7 appropriates \$26,400,000 out of general revenue dedicated account number 0345, Telecommunications Infrastructure Fund No. 345, to the Department of Human Services for use during Fiscal Year 2003 for the purposes of funding the Texas Integrated Eligibility Redesign System (TIERS).

Contingent upon enactment of legislation by the 78th Legislature that authorizes use of money in the Telecommunications Infrastructure Fund to fund the existing technology allotment during Fiscal Year 2003, Committee Substitute House Bill 7 appropriates \$116,000,000 out of general revenue dedicated account number 345, Telecommunications Infrastructure Fund No. 345, to the Texas Education

Agency for use during Fiscal Year 2003 for the purposes of funding the existing technology allotment.

In the event the above referenced legislation is not enacted by the 78th Legislature, Committee Substitute House Bill 7 appropriates \$116,000,000 out of State Textbook Fund 0003 to the Texas Education Agency for use during Fiscal Year 2003 for the purpose of funding the existing technology allotment.

Contingent upon enactment of legislation by the 78th Legislature that creates a Texas Enterprise Fund that may be used by the governor for purposes including those related to economic development, Committee Substitute House Bill 7 appropriates \$295,000,000 out of the Economic Stabilization Fund 0599 and transfers the amount to the Texas Enterprise Fund for use by the Office of the Governor during the two-year period that beginning on the date that the above-referenced legislation takes effect. If the above referenced legislation becomes law and includes the creation of a single Other Events trust fund, then \$10,000,000 of the \$295,000,000 appropriated to the Texas Enterprise Fund is appropriated to the Other Events trust fund.

Committee Substitute House Bill 7 reduces unencumbered amounts that were appropriated by the General Appropriations Act of the 77th Legislature from General Revenue Fund 0001 to the below listed state agencies for Fiscal Year 2003, for a total reduction of \$961,845,495, in the following manner:

- \$500,000 from the Aircraft Pooling Board;
- \$158,000 from the Commission on the Arts;
- \$7,250,000 from the Office of the Attorney General;
- \$41,248 from the Bond Review Board;
- \$6,837,988 from the Building and Procurement Commission;
- \$6,035,228 from the Comptroller of Public Accounts;
- \$8,000,000 from the Fiscal Programs - Comptroller of Public Accounts;
- \$20,400,000 from the Employees Retirement System;
- \$135,000 from the Texas Ethics Commission;
- \$57,611,021 from the Public Finance Authority;
- \$10,306 from the Fire Fighters' Pension Commissioner;
- \$1,855,374 from the Office of the Governor;
- \$1,000,000 from the Trusteed Programs within the Office of the Governor;
- \$253,119 from the Historical Commission;
- \$54,610 from the Commission on Human Rights;
- \$16,546 from the Texas Incentive and Productivity Commission;
- \$205,956 from the Department of Information Resources;
- \$274,979 from the Library and Archives Commission;
- \$19,200 from the Pension Review Board;
- \$1,394,185 from the Preservation Board;
- \$351,077 from the State Office of Risk Management;
- \$1,100,000 from the Secretary of State;
- \$85,233 from the Office of State-Federal Relations;
- \$150,573 from the Veterans Commission;
- \$422,515 from the Department on Aging;
- \$9,576,994 from the Commission on Alcohol and Drug Abuse;
- \$726,434 from the Commission for the Blind;
- \$368,633 from the Cancer Council;
- \$6,000 from the Commission for the Deaf and Hard of Hearing;
- \$3,046,554 from the Interagency Council on Early Childhood Intervention;
- \$62,263,854 from the Department of Health;
- \$5,949,196 from the Health and Human Services Commission;
- \$30,876,153 from the Department of Human Services;

- \$32,338,079 from the Department of Mental Health and Mental Retardation;
- \$1,796,571 from the Department of Protective and Regulatory Services;
- \$218,260 from the Rehabilitation Commission;
- \$88,080,333 from the Texas Education Agency;
- \$1,227,725 from the State Board for Educator Certification;
- \$843,000 from the School for the Blind and Visually Impaired;
- \$1,108,919 from the School for the Deaf;
- \$75,000,000 from the Teacher Retirement System;
- \$18,813,496 from Higher Education Employees Group Insurance Contributions;
- \$91,214,575 from the Higher Education Coordinating Board;
- \$75,000 from The University of Texas System Administration;
- \$4,544,368 from The University of Texas at Arlington;
- \$12,667,307 from The University of Texas at Austin;
- \$3,021,096 from The University of Texas at Dallas;
- \$3,328,144 from The University of Texas at El Paso;
- \$2,575,149 from The University of Texas - Pan American;
- \$890,876 from The University of Texas at Brownsville;
- \$658,856 from The University of Texas of the Permian Basin;
- \$3,432,800 from The University of Texas at San Antonio;
- \$1,095,100 from The University of Texas at Tyler;
- \$44,663 from Texas A&M University System Administrative and General;
- \$9,893,931 from Texas A&M University;
- \$1,076,751 from Texas A&M University at Galveston;
- \$5,188,557 from Prairie View A&M University;
- \$2,301,386 from Tarleton State University;
- \$3,671,301 from Texas A&M University - Corpus Christi;
- \$2,794,366 from Texas A&M University - Kingsville;
- \$2,376,325 from Texas A&M International University;
- \$2,796,163 from West Texas A&M University;
- \$2,234,798 from Texas A&M University - Commerce;
- \$1,430,082 from Texas A&M University - Texarkana;
- \$198,559 from the University of Houston System Administration;
- \$9,123,978 from the University of Houston;
- \$1,899,602 from the University of Houston - Clear Lake;
- \$1,314,929 from the University of Houston - Downtown;
- \$624,838 from the University of Houston - Victoria;
- \$1,211,490 from Midwestern State University;
- \$7,000 from the University of North Texas System Administration;
- \$6,590,104 from the University of North Texas;
- \$2,803,238 from Stephen F. Austin State University;
- \$3,044,575 from Texas Southern University;
- \$35,000 from Texas Tech University System Administration;
- \$7,375,114 from Texas Tech University;
- \$3,215,030 from Texas Woman's University;
- \$93,626 from Texas State University System Central Office, Board of Regents;
- \$1,545,375 from Angelo State University;
- \$2,066,995 from Lamar University - Beaumont;
- \$596,126 from the Lamar Institute of Technology;
- \$416,959 from Lamar State College - Orange;
- \$599,904 from Lamar State College - Port Arthur;
- \$2,587,908 from Sam Houston State University;
- \$4,591,981 from Southwest Texas State University;
- \$929,345 from Sul Ross State University;
- \$380,764 from Sul Ross State University Rio Grande College;
- \$5,034,845 from The University of Texas Southwestern Medical Center at Dallas;

- \$12,056,709 from The University of Texas Medical Branch at Galveston;
- \$6,656,182 from The University of Texas Health Science Center at Houston;
- \$6,489,738 from The University of Texas Health Science Center at San Antonio;
- \$7,444,406 from The University of Texas M.D. Anderson Cancer Center;
- \$1,771,490 from The University of Texas Health Center at Tyler;
- \$3,400,394 from Texas A&M University System Health Science Center;
- \$2,824,279 from the University of North Texas Health Science Center at Fort Worth;
- \$6,352,655 from Texas Tech University Health Sciences Center;
- \$222,022 from Texas State Technical College System Administration;
- \$1,177,608 from Texas State Technical College - Harlingen;
- \$796,468 from Texas State Technical College - West Texas;
- \$293,088 from Texas State Technical College - Marshall;
- \$1,943,106 from Texas State Technical College - Waco;
- \$2,638,303 from the Texas Agricultural Experiment Station;
- \$2,059,699 from the Texas Cooperative Extension;
- \$609,080 from the Texas Engineering Experiment Station;
- \$226,228 from the Texas Transportation Institute;
- \$309,269 from the Texas Engineering Extension Service;
- \$564,394 from the Texas Forest Service;
- \$166,663 from the Texas Wildlife Damage Management Service;
- \$215,790 from the Texas Veterinary Medical Diagnostic Laboratory;
- \$107,056 from the Texas Food and Fibers Commission;
- \$281,541 from the Supreme Court of Texas;
- \$825,903 from the Court of Criminal Appeals;
- \$119,363 from the First Court of Appeals District, Houston;
- \$38,972 from the Second Court of Appeals District, Fort Worth;
- \$133,283 from the Third Court of Appeals District, Austin;
- \$83,175 from the Fourth Court of Appeals District, San Antonio;
- \$259,800 from the Fifth Court of Appeals District, Dallas;
- \$75,025 from the Sixth Court of Appeals District, Texarkana;
- \$98,168 from the Seventh Court of Appeals District, Amarillo;
- \$102,780 from the Eighth Court of Appeals District, El Paso;
- \$74,800 from the Ninth Court of Appeals District, Beaumont;
- \$77,197 from the Tenth Court of Appeals District, Waco;
- \$73,557 from the Eleventh Court of Appeals District, Eastland;
- \$49,249 from the Twelfth Court of Appeals District, Tyler;
- \$134,298 from the Thirteenth Court of Appeals District, Corpus Christi;
- \$181,863 from the Fourteenth Court of Appeals District, Houston;
- \$362,538 from the Office of Court Administration, Texas Judicial Council;
- \$24,645 from the Office of the State Prosecuting Attorney;
- \$63,923 from the State Law Library;
- \$7,226 from the Court Reporters Certification Board;
- \$66,730 from the State Commission on Judicial Conduct;
- \$2,000,000 from the Judiciary Section, Comptroller's Department;
- \$650,476 from the Adjutant General's Department;
- \$1,875,725 from the Alcoholic Beverage Commission;
- \$170,800,000 from the Department of Criminal Justice;
- \$64,622 from the Criminal Justice Policy Council;
- \$224,000 from the Commission on Fire Protection;
- \$51,607 from the Commission on Jail Standards;
- \$5,534,980 from the Juvenile Probation Commission;
- \$180,000 from the Texas Military Facilities Commission;
- \$129,736 from the Texas Commission on Private Security;
- \$3,380,525 from the Department of Public Safety;
- \$11,811,293 from the Youth Commission;

- \$3,447,858 from the Department of Agriculture;
- \$641,471 from the Animal Health Commission;
- \$765,669 from the Commission on Environmental Quality;
- \$329,227 from the General Land Office and Veterans' Land Board;
- \$635,458 from the Trusteed Programs within the General Land Office;
- \$209,592 from the Parks and Wildlife Department;
- \$1,104,047 from the Railroad Commission;
- \$22,000 from the Texas River Compact Commissions;
- \$644,171 from the Soil and Water Conservation Board;
- \$704,751 from the Water Development Board;
- \$2,500,000 from Debt Service Payments - Non-Self Supporting G.O. Water Bonds;
- \$107,688 from the Texas Aerospace Commission;
- \$1,719,429 from the Texas Department of Economic Development;
- \$753,187 from the Department of Housing and Community Affairs;
- \$111,024 from the Texas Lottery Commission;
- \$297,331 from the Office of Rural and Community Affairs;
- \$1,767,926 from the Department of Transportation;
- \$7,786,394 from the Texas Workforce Commission;
- \$158,846 from the State Office of Administrative Hearings;
- \$8,079 from the Board of Barber Examiners;
- \$24,874 from the Board of Chiropractic Examiners;
- \$127,800 from the Cosmetology Commission;
- \$109,000 from the Credit Union Department;
- \$100,197 from the Texas State Board of Dental Examiners;
- \$751,000 from the Department of Banking;
- \$224,600 from the Office of Consumer Credit Commissioner;
- \$118,391 from the Savings and Loan Department;
- \$36,000 from the Funeral Service Commission;
- \$2,552,334 from the Department of Insurance;
- \$90,542 from the Office of Public Insurance Counsel;
- \$26,400 from the Board of Professional Land Surveying;
- \$475,992 from the Department of Licensing and Regulation;
- \$354,502 from the Board of Medical Examiners;
- \$184,100 from the Board of Nurse Examiners;
- \$105,327 from the Board of Vocational Nurse Examiners;
- \$25,600 from the Optometry Board;
- \$91,339 from the Structural Pest Control Board;
- \$62,965 from the Executive Council of Physical Therapy and Occupational Therapy Examiners;
- \$106,245 from the Board of Plumbing Examiners;
- \$13,871 from the Board of Podiatric Medical Examiners;
- \$44,290 from the Board of Examiners of Psychologists;
- \$305,074 from the Real Estate Commission;
- \$268,402 from the Securities Board;
- \$10,926 from the Board of Tax Professional Examiners;
- \$826,000 from the Public Utility Commission of Texas;
- \$135,414 from the Office of Public Utility Counsel;
- \$40,400 from the Board of Veterinary Medical Examiners;
- \$3,600,000 from the Workers' Compensation Commission; and
- \$9,156,897 from the agencies and entities appropriated general revenue funds by Article X of the General Appropriations Act of the 77th Legislature (subject to Section 8 of this Act).

The above listed agencies are required to identify the strategies and objectives out of which the indicated reductions are made.

Committee Substitute House Bill 7 also reduces the unencumbered amount that was appropriated by Chapter 637, Acts of the 77th Legislature, Regular Session, 2001 (House Bill 1333) to the Office of the Governor and to the Trusteed Programs within the Office of the Governor by the General Appropriations Act of the 77th Legislature from the general revenue fund for the state fiscal biennium beginning September 1, 2001, by \$1,989,551.

Committee Substitute House Bill 7 also reduces unencumbered amounts that were appropriated by the General Appropriations Act of the 77th Legislature from the general revenue fund to Public Junior/Community Colleges for Fiscal Year 2003, for a total reduction of \$55,204,891, in the following manner:

- \$4,214,605 from Alamo Community College;
- \$576,015 from Alvin Community College;
- \$1,223,511 from Amarillo College;
- \$573,615 from Angelina College;
- \$2,703,736 from Austin Community College;
- \$1,428,545 from Blinn College;
- \$435,180 from Brazosport College;
- \$1,260,755 from Central Texas College;
- \$309,318 from Cisco Junior College;
- \$162,286 from Clarendon College;
- \$492,350 from Coastal Bend College;
- \$448,597 from College of the Mainland;
- \$1,528,640 from Collin County Community College;
- \$6,071,784 from Dallas County Community College;
- \$1,335,391 from Del Mar College;
- \$2,255,613 from El Paso Community College;
- \$171,597 from Frank Phillips College;
- \$368,098 from Galveston College;
- \$447,516 from Grayson County College;
- \$376,381 from Hill College;
- \$4,592,727 from Houston Community College;
- \$729,097 from Howard College;
- \$792,044 from Kilgore College;
- \$907,483 from Laredo Community College;
- \$779,759 from Lee College;
- \$810,436 from McLennan Community College;
- \$636,743 from Midland College;
- \$625,093 from Navarro College;
- \$515,917 from North Central Texas College;
- \$2,742,732 from North Harris Community College;
- \$248,906 from Northeast Texas Community College;
- \$610,692 from Odessa College;
- \$250,170 from Panola College;
- \$453,421 from Paris Junior College;
- \$162,286 from Ranger College;
- \$2,573,261 from San Jacinto College;
- \$937,288 from South Plains College;
- \$1,369,007 from South Texas Community College;
- \$436,733 from Southwest Texas Junior College;
- \$2,818,972 from Tarrant County College;
- \$441,421 from Temple College;
- \$634,857 from Texarkana College;
- \$815,904 from Texas Southmost College;

- \$736,823 from Trinity Valley Community College;
- \$1,138,344 from Tyler Junior College;
- \$393,246 from Vernon Regional Junior College;
- \$530,976 from Victoria College;
- \$376,405 from Weatherford College;
- \$194,003 from Western Texas College; and
- \$566,612 from Wharton County Junior College.

Committee Substitute House Bill 7 also reduces amounts that were appropriated by the General Appropriations Act of the 77th Legislature from dedicated accounts in the general revenue fund to the below listed state agencies for Fiscal Year 2003, for a total reduction of \$97,004,265, in the following manner:

Commission on the Arts:

- \$138,000 from general revenue dedicated account no. 0334, Commission on the Arts Operating Account;

Commission on State Emergency Communications:

- \$762,002 from general revenue dedicated account no. 5007, Advisory Commission on Emergency Communication Account;
- \$2,506,635 from general revenue dedicated account no. 5050, 911 Service Fees Account;

Trusted Programs within the Office of the Governor:

- \$1,209,725 from general revenue dedicated account no. 0421, Criminal Justice Planning Account;

Department of Health:

- \$150,000 from general revenue dedicated account no. 5046, Permanent Fund for Emergency Medical Services and Trauma Care;

Health and Human Services Commission:

- \$13,000,000 from general revenue dedicated account no. 0345, Telecommunications Infrastructure Fund No. 345;

Department of Protective and Regulatory Services:

- \$25,000 from general revenue dedicated account no. 5084, Child Abuse and Neglect Prevention Operating Account;

Rehabilitation Commission:

- \$64,417 from general revenue dedicated account no. 0107, Comprehensive Rehabilitation Account;

Texas Education Agency:

- \$5,411,024 from general revenue dedicated account no. 0345, Telecommunications Infrastructure Fund No. 345;

Telecommunications Infrastructure Fund Board:

- \$175,000 from general revenue dedicated account no. 0345, Telecommunications Infrastructure Fund No. 345;

Higher Education Coordinating Board:

- \$5,460 from general revenue dedicated account no. 5079, Technology Workforce Development Account;
- \$140,000 from general revenue dedicated account no. 0345, Telecommunications Infrastructure Fund No. 345;
- \$265,259 from general revenue dedicated account no. 8021, Dental School Tuition Set Aside;

Office of Court Administration, Texas Judicial Council:

- \$835,800 from general revenue dedicated account no. 5073, Fair Defense Account;

Commission on Law Enforcement Officer Standards and Education:

- \$180,572 from general revenue dedicated account no. 0116, Law Enforcement

Officer Standards and Education Account;
 -\$3,500 from general revenue dedicated account no. 5059, Texas Peace Officer Flag Account;

Department of Public Safety:
 -\$182,377 from general revenue dedicated account no. 0501, Motorcycle Education Account;
 -\$126,856 from general revenue dedicated account no. 5013, Breath Alcohol Testing Account;
 -\$1,263,185 from general revenue dedicated account no. 5028, Fugitive Apprehension Account;

Department of Agriculture:
 -\$275,635 from general revenue dedicated account no. 5051, Go TEXAN Partner Program;

Commission on Environmental Quality:
 -\$29,067 from general revenue dedicated account no. 0146, Used Oil Recycling Account;
 -\$929,338 from general revenue dedicated account no. 0151, Clean Air Account;
 -\$365,428 from general revenue dedicated account no. 0153, Water Resource Management Account;
 -\$53,916 from general revenue dedicated account no. 0468, Occupational Licensing Account;
 -\$1,389,128 from general revenue dedicated account no. 0549, Waste Management;
 -\$3,752,454 from general revenue dedicated account no. 0550, Hazardous and Solid Waste Remediation Fee Account;

-\$30,000,000 from general revenue dedicated account no. 0655, Petroleum Storage Tank Remediation Account;

Council on Environmental Technology:
 -\$114,245 from general revenue dedicated account no. 5071, Texas Emission Reduction Plan Account;

General Land Office and Veterans' Land Board:
 -\$481,100 from general revenue dedicated account no. 0027, Coastal Protection Account;

Parks and Wildlife Department:
 -\$2,148,668 from general revenue dedicated account no. 0064, State Parks Account;
 -\$2,616,143 from general revenue dedicated account no. 0009, Game, Fish and Water Safety Account;
 -\$5,600 from general revenue dedicated account no. 0467, Texas Local Parks, Recreation and Open Space Account;

Railroad Commission:
 -\$33,580 from general revenue dedicated account no. 0101, Alternative Fuels Research and Education Account;
 -\$1,972,423 from general revenue dedicated account no. 0145, Oil Field Cleanup Account;

Texas Lottery Commission:
 -\$24,557,023 from general revenue dedicated account no. 5025, Lottery Account;

Office of Rural and Community Affairs:
 -\$157,500 from general revenue dedicated account no. 5047, Permanent Fund Rural Health Facility Capital Improvement;

Department of Transportation:
 -\$43,080 from general revenue dedicated account no. 0071, Texas Highway Beautification Account;

Department of Insurance:
 -\$1,053,448 from general revenue dedicated account no. 0036, Texas Department of

Insurance Operating Fund Account;
Board of Pharmacy:
-\$208,537 from general revenue dedicated account no. 0523, Pharmacy Board
Operating Account;
Racing Commission:
-\$306,140 from general revenue dedicated account no. 0597, Texas Racing
Commission Account; and
Research and Oversight Council on Workers' Compensation:
-\$67,000 from general revenue dedicated account no. 5016, Research and Oversight
Council on Workers' Compensation Fund Account.

The above listed agencies are required to identify the strategies and objectives out of which the indicated reductions are made.

Committee Substitute House Bill 7 also reduces amounts that were appropriated by the General Appropriations Act of the 77th Legislature from the general revenue fund and dedicated accounts in the general revenue fund to the below listed state agencies for Fiscal Year 2003, for a total reduction of \$547,782,332, in the following manner:

- Texas Education Agency: \$3,710,000 from Available School Fund 0002;
- Texas Education Agency: \$131,037,247 from State Textbook Fund 0003;
- Texas Education Agency: \$187,734,652 from Foundation School Fund 0193;
- Juvenile Probation Commission: \$1,300,433 from Foundation School Fund 0193; and
- Telecommunications Infrastructure Fund Board: \$224,000,000 from general revenue dedicated account no. 0345, Telecommunications Infrastructure Fund No. 345.

The above listed agencies are required to identify the strategies and objectives out of which the indicated reductions are made.

Committee Substitute House Bill 7 authorizes the Lieutenant Governor and the Speaker of the House to work jointly to identify the Article X agencies, with regards to Section 7(a)(192) of this bill, from which amounts are to be transferred and the amount of funds to be transferred from each.

Section 7 of Committee Substitute House Bill 7 makes a total reduction of \$1,663,826,534 in appropriations from the general revenue fund and General Revenue Fund-Dedicated Accounts. Sections 1-6 of Committee Substitute House Bill 7 make a total appropriation of \$931,000,000.

All references in Committee Substitute House Bill 7 to the Building and Procurement Commission are considered to be references to the General Services Commission for the purposes of identifying appropriations made by the Acts of the 77th Legislature, Regular Session, 2001.

Committee Substitute House Bill 7 authorizes the Texas Workforce Commission to reduce appropriations related to Project RIO in an amount approved by the Legislative Budget Board, notwithstanding the requirement to maintain funding levels contained in Rider 18 following the appropriations to the Texas Workforce Commission in the General Appropriations Act of the 77th Legislature, in order to make the reductions listed in Section 7(a)(161) of this bill. The amounts reduced are available for general governmental purposes.

Committee Substitute House Bill 7 authorizes the Department of Health to use a portion of funds deposited to Comptroller of Public Accounts Revenue Object 3963, as approved by the Legislative Budget Board, in order to make the reductions listed in Section 7(a)(31) of this bill.

Committee Substitute House Bill 7 authorizes the Department of Mental Health and Mental Retardation to reduce appropriations from general revenue funds for New Generation Medications in the amount of

\$750,000, notwithstanding the use requirements for the appropriations contained in Rider 57 of the General Appropriations Act of the 77th Legislature, in order to make the reductions listed in Section 7(a)(34) of this bill. The amounts reduced are available for general governmental purposes.

Committee Substitute House Bill 7 authorizes the Department of Mental Health and Mental Retardation to reduce appropriations from the general revenue fund for long-term care waiver slots in the amount of \$9,708,248, notwithstanding the use requirements for the appropriations contained in Rider 22 of the General Appropriations Act of the 77th Legislature, in order to make the reductions listed in Section 7(a)(34) of this bill. The amounts reduced are available for general governmental purposes.

Committee Substitute House Bill 7 reduces the general revenue appropriations made to the Preservation Board in Rider 6 of the General Appropriations Act of the 77th Legislature, in the amount of \$1,000,000, notwithstanding the contingency appropriation for the purpose of funding the operations of the State History Museum in Rider 6, in order to make the reductions listed in Section 7(a)(20) of this bill. The amounts reduced are available for general governmental purposes.

All references in Committee Substitute House Bill 7 to the Commission on Environmental Quality are considered to be references to the Texas Natural Resource Conservation Commission for the purposes of identifying appropriations made by the Acts of the 77th Legislature, Regular Session, 2001.

All references in Committee Substitute House Bill 7 to the Texas Cooperative Extension are considered to be references to the Texas Agricultural Extension Service for the purposes of identifying appropriations made by the Acts of the 77th Legislature, Regular Session, 2001.

Sections 1-3 and 6 of Committee Substitute House Bill 7 take effect only if the bill receives the vote required by the constitution.

EFFECTIVE DATE

Upon passage.

COMPARISON OF ORIGINAL TO SUBSTITUTE

Committee Substitute House Bill 7 modifies the original by increasing the amount appropriated to the Health and Human Services Commission for the Medicaid Acute Care program and changing the source from the general revenue reductions made in the substitute to the Economic Stabilization Fund 0599. The substitute also changes the source of appropriations for the Department of Health programs, including Texas Health Steps and the Medical Transportation program, and the Health and Human Services Commission's Children's Health Insurance Program from the general revenue reductions made in the substitute to the Economic Stabilization Fund 0599. The substitute also makes an additional appropriation to the Department of Human Services from the general revenue dedicated account number 0345, Telecommunications Infrastructure Fund 345, in the amount of \$26,400,000 for use during Fiscal Year 2003, to fund the Texas Integrated Eligibility Redesign System.

The substitute makes an additional appropriation, contingent upon passage of legislation by the 78th Legislature authorizing the use of money in the Telecommunications Infrastructure Fund to fund the existing technology allotment, in the amount of \$116,000,000 to the Texas Education Agency from the general revenue dedicated account number 345, Telecommunications Infrastructure Fund 345, for use during Fiscal Year 2003, to fund the existing technology allotment. Alternatively, if the above referenced legislation is not passed, the substitute makes an identical appropriation from the State Textbook Fund.

The substitute makes an additional appropriation, contingent upon passage of legislation by the 78th Legislature creating a Texas Enterprise Fund for purposes including those related to economic

development, in the amount of \$295,000,000 to the Texas Enterprise Fund from the Economic Stabilization Fund 0599 for use by the Office of the Governor during the two-year period beginning on the date that the above referenced legislation takes effect. If the above referenced legislation becomes law and includes the creation of a single Other Events trust fund, then \$10,000,000 of the \$295,000,000 appropriated to the Texas Enterprise Fund is appropriated to the Other Events trust fund.

The substitute decreases reductions made to Fiscal Year 2003 appropriations from the General Revenue Fund for the following agencies: Employees Retirement System; Preservation Board; Rehabilitation Commission; Higher Education Coordinating Board; Texas A&M University; University of Houston System Administration; University of Houston; University of Houston - Clear Lake; University of Houston - Downtown; University of Houston - Victoria; Stephen F. Austin State University; Court of Criminal Appeals; Second Court of Appeals District, Fort Worth; Ninth Court of Appeals District, Beaumont; and Workers' Compensation Commission.

The substitute increases reductions made to Fiscal Year 2003 appropriations from the General Revenue Fund for the following agencies: Comptroller of Public Accounts; Department on Aging; Commission on Alcohol and Drug Abuse; Department of Human Services; Department of Mental Health and Mental Retardation; Texas Education Agency; Texas A&M University at Galveston; Prairie View A&M University; Tarleton State University; Texas A&M University - Corpus Christi; Texas A&M University - Kingsville; Texas A&M International University; West Texas A&M University; Texas A&M University - Commerce; Texas A&M University - Texarkana; Texas A&M University System Health Science Center; Supreme Court of Texas; and Judiciary Section, Comptroller's Department.

The substitute adds the following to the list of agencies whose Fiscal Year 2003 General Revenue Fund appropriations are being reduced by the respective amounts: (1) Higher Education Employees Group Insurance Contributions (\$18,813,496); (2) Texas A&M University System Administrative and General (\$44,663); and (3) Debt Service Payments - Non-Self Supporting G.O. Water Bonds (\$2,500,000).

The substitute decreases or deletes reductions made to Fiscal Year 2003 appropriations from dedicated accounts in the General Revenue Fund for the following agencies: Department of Mental Health and Mental Retardation (Texas Capital Trust Fund Account and Quality Assurance Account); Higher Education Coordinating Board (Technology Workforce Development Account); and Parks and Wildlife Department (State Parks Account; Game, Fish and Water Safety Account; Non-Game and Endangered Species Conservation Account; Texas Parks and Wildlife Capital Account; and Shrimp License Buy Back Account). The substitute increases the reduction made to Fiscal Year 2003 appropriations from the Telecommunications Infrastructure Fund No. 345 for the Texas Education Agency.

The substitute decreases the reduction made to the Fiscal Year 2003 appropriation to the Texas Education Agency from the Available School Fund 0002. The substitute increases the reduction made to the Fiscal Year 2003 appropriations made to the Texas Education Agency from the State Textbook Fund 0003 and the Foundation School Fund 0193. The substitute makes an additional reduction to the Fiscal Year 2003 appropriation to the Juvenile Probation Commission from the Foundation School Fund 0193.

For informational purposes, the substitute provides that Section 7 makes a total reduction of \$1,663,826,534 in appropriations from the general revenue fund and General Revenue Fund-Dedicated Accounts and that Sections 1-6 make a total appropriation of \$931,000,000.

The substitute authorizes the Department of Mental Health and Mental Retardation to reduce

appropriations from general revenue funds for New Generation Medications in the amount of \$750,000, notwithstanding the use requirements for the appropriations contained in Rider 57 of the General Appropriations Act of the 77th Legislature, in order to make the reductions required by this Act.

The substitute authorizes the Department of Mental Health and Mental Retardation to reduce appropriations from general revenue funds for long-term care waiver slots in the amount of \$9,708,248, notwithstanding the use requirements for the appropriations contained in Rider 22 of the General Appropriations Act of the 77th Legislature, in order to make the reductions required by this Act.

The substitute reduces the general revenue appropriations made to the Preservation Board in Rider 6 of the General Appropriations Act of the 77th Legislature, in the amount of \$1,000,000, notwithstanding the contingency appropriation for the purpose of funding the operations of the State History Museum in Rider 6, in order to make the reductions required by this Act.

The substitute includes language that references the constitutional provisions regarding the vote necessary to pass appropriations legislation affecting the Economic Stabilization Fund.