

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 9, 2003

TO: Honorable Talmadge Heflin, Chair, House Committee on Appropriations

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB7 by Heflin (Relating to making supplemental appropriations and making reductions in current appropriations.), Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB7, Committee Report 1st House, Substituted: a positive impact of \$1,342,822,000 through the biennium ending August 31, 2005.

Appropriations:

Fiscal Year	Appropriation out of GENERAL REVENUE FUND Reductions 1	Appropriation out of ECON STABILIZATION FUND 8065	Appropriation out of TELECOMMUNICATIONS INFRA FUND 8345	Appropriation out of AVAILABLE SCHOOL FUND 2
2003	(\$1,006,729,000)	\$493,600,000	\$142,400,000	(\$3,091,000)
2004	(\$201,346,000)	\$295,000,000	\$0	(\$618,000)
2005	\$0	\$0		\$0

Fiscal Year	Appropriation out of STATE TEXTBOOK FUND 3	Appropriation out of All Affected General Revenue Dedicated Accounts
2003	(\$109,198,000)	(\$80,837,000)
2004	(\$21,840,000)	(\$240,167,000)
2005	\$0	\$0

General Revenue-Related Funds, Three-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2003	\$1,119,018,000
2004	\$223,804,000
2005	\$0

Fiscal Analysis

The bill would make supplemental fiscal 2003 appropriations from the Economic Stabilization Fund. The bill would make appropriations from the Telecommunications Infrastructure Fund for fiscal year 2003. The bill would appropriate \$295 million from the Economic Stabilization Fund to the Texas Enterprise Fund when the fund is created.

The bill would appropriate \$460.3 million to the Texas Health and Human Services Commission (HHSC) for Medicaid acute care costs provided that: Medicaid expenditures exceeded available revenue due to increased caseloads or a lower federal match rate; and, HHSC had used all revenue available and appropriated to the Medicaid program, including premium credits and vendor drug

rebates. The bill would appropriate \$26.4 million to HHSC for the Children's Health Insurance Program. The bill would appropriate \$6.9 million to the Texas Department of Health for Texas Health Steps and the Medical Transportation Program. The bill would appropriate \$26.4 million to the Department of Human Services for the Texas Integrated Eligibility Redesign System and \$116 million to the Texas Education Agency for the technology allotment from the general revenue dedicated telecommunications infrastructure fund.

The bill would require appropriation reductions of \$1,342.8 million in General Revenue-Related funds and accounts and \$321 million in General Revenue-Dedicated accounts.

The bill would take effect immediately upon enactment.

Methodology

Estimates were based on the provisions of the bill and the Comptroller's *2004-05 Biennial Revenue Estimate*. Except for the telecommunications infrastructure savings, which would occur entirely in fiscal 2004, the majority (5/6) of the savings, based on historical spending patterns and for cash flow purposes, would occur in fiscal 2003; the remaining 1/6 would occur in fiscal 2004. Supplemental appropriations from the Economic Stabilization Fund to HHSC and the Department of Health are made in fiscal year 2003, as are appropriations from the Telecommunications Infrastructure Fund. Appropriations to the Texas Enterprise Fund are made in fiscal 2004 based on the assumption that the fund will be created effective 9/1/03.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts
LBB Staff: JK, AD, JO, SD, WP