

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 7, 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.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB7, As Introduced: a positive impact of \$723,254,000 through the biennium ending August 31, 2005.

Appropriations:

Fiscal Year	Appropriation out of GENERAL REVENUE FUND Reductions 1	Appropriation out of GENERAL REVENUE FUND Increases 1	Appropriation out of AVAILABLE SCHOOL FUND 2	Appropriation out of STATE TEXTBOOK FUND 3
2003	(\$752,387,000)	\$198,600,000	(\$3,242,000)	(\$12,583,000)
2004	(\$150,477,000)	\$0	(\$648,000)	(\$2,517,000)
2005	\$0	\$0	\$0	\$0

Fiscal Year	Appropriation out of All Affected General Revenue Dedicated Accounts
2003	(\$107,712,000)
2004	(\$245,542,000)
2005	\$0

General Revenue-Related Funds, Three-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2003	\$569,612,000
2004	\$153,642,000
2005	\$0

Fiscal Analysis

The bill would make supplemental fiscal 2003 appropriations using the savings from fiscal 2003 appropriation reductions.

The bill would appropriate \$165.3 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 require appropriation reductions of \$921.9 million in General Revenue-Related funds and accounts and \$353.3 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*. Overall, this bill would achieve \$1.077 billion in net certifiable savings after inclusion of the supplemental appropriations. 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.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JK, JO, SD, WP, AD