

AN ACT

relating to making supplemental appropriations and reductions in appropriations.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. HEALTH AND HUMAN SERVICES COMMISSION: HIGHER THAN EXPECTED MEDICAID COSTS. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2005, the following amounts are appropriated to the Health and Human Services Commission for the two-year period beginning on the effective date of this Act for the purpose of providing services under the state Medicaid program, including making supplemental hospital payments and restoring eligibility for Medicaid benefits to pregnant women with incomes of up to 185 percent of the federal poverty level:

(1) \$121,800,000 is appropriated out of the general revenue fund;

(2) \$92,400,000 is appropriated out of the Economic Stabilization Fund;

(3) \$40,000,000 in balances and available revenues is appropriated out of General Revenue Dedicated Account No. 5080 (the Quality Assurance Fund);

(4) \$69,100,000 in appropriated receipts match for Medicaid is appropriated; and

(5) \$485,000,000 in matching federal funds is

1 appropriated.

2 (b) The amounts appropriated by Subsection (a) of this
3 section may be expended only if the Health and Human Services
4 Commission has used all revenue available to the Medicaid program,
5 including but not limited to premium credits and vendor drug
6 rebates.

7 SECTION 2. HEALTH AND HUMAN SERVICES COMMISSION:
8 CHILDREN'S HEALTH INSURANCE PROGRAM. In addition to amounts
9 previously appropriated for the state fiscal biennium ending August
10 31, 2005, the following amounts are appropriated to the Health and
11 Human Services Commission for the two-year period beginning on the
12 effective date of this Act for the purpose of providing services
13 related to the Children's Health Insurance Program:

14 (1) \$65,700,000 is appropriated out of the general
15 revenue fund; and

16 (2) \$168,900,000 in matching federal funds is
17 appropriated.

18 SECTION 3. HEALTH AND HUMAN SERVICES COMMISSION: VARIOUS
19 PROGRAMS. In addition to amounts previously appropriated for the
20 state fiscal biennium ending August 31, 2005, the amount of
21 \$85,600,000 is appropriated out of the general revenue fund and the
22 amount of \$128,400,000 in matching federal funds is appropriated to
23 the Health and Human Services Commission for the two-year period
24 beginning on the effective date of this Act for any necessary
25 purposes for which:

26 (1) the commission received an appropriation out of
27 the general revenue fund for all or part of the state fiscal

1 biennium ending August 31, 2005; or

2 (2) a health and human services agency received an
3 appropriation out of the general revenue fund for all or part of the
4 state fiscal biennium ending August 31, 2005, if the commission is
5 now authorized or required by law to spend money for those purposes.

6 SECTION 4. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES:
7 CHILD PROTECTIVE SERVICES PROGRAM REFORM. In addition to amounts
8 previously appropriated for the state fiscal biennium ending August
9 31, 2005, the following amounts are appropriated to the Department
10 of Family and Protective Services for the two-year period beginning
11 on the effective date of this Act for the purpose of funding the
12 reforms of the Child Protective Services Program:

13 (1) the amount of \$200,039,844 is appropriated out of
14 the Economic Stabilization Fund and the amount of \$48,060,705 in
15 matching federal funds is appropriated; and

16 (2) the amount of \$7,300,000 is appropriated out of
17 the general revenue fund and the additional amount of \$2,900,000 in
18 matching federal funds is appropriated.

19 SECTION 5. DEPARTMENT OF AGING AND DISABILITY SERVICES:
20 PAYMENTS FOR AUGUST 2005 NURSING FACILITY AND MENTAL RETARDATION
21 COMMUNITY CENTER SERVICES. The amount of \$62,200,000 is
22 appropriated out of the general revenue fund and the amount of
23 \$85,800,000 in matching federal funds is appropriated to the
24 Department of Aging and Disability Services to make payments for
25 nursing facility services and mental retardation community center
26 services delivered in August 2005.

27 SECTION 6. DEPARTMENT OF AGING AND DISABILITY SERVICES:

1 COMMUNITY CARE CASELOAD AND COSTS. In addition to amounts
2 previously appropriated for the state fiscal biennium ending August
3 31, 2005, the amount of \$22,300,000 is appropriated out of the
4 general revenue fund and the amount of \$33,500,000 in matching
5 federal funds is appropriated to the Department of Aging and
6 Disability Services for the two-year period beginning on the
7 effective date of this Act for the purpose of funding the Community
8 Care Caseload and Costs.

9 SECTION 7. TEXAS DEPARTMENT OF CRIMINAL JUSTICE:
10 OPERATIONS. In addition to amounts previously appropriated for the
11 state fiscal biennium ending August 31, 2005, the amount of
12 \$15,900,000 is appropriated out of the general revenue fund to the
13 Texas Department of Criminal Justice for the two-year period
14 beginning on the effective date of this Act for the purpose of
15 providing for contracted temporary capacity, salaries and wages,
16 utilities, and fuel.

17 SECTION 8. TEXAS DEPARTMENT OF CRIMINAL JUSTICE:
18 CORRECTIONAL MANAGED HEALTH CARE. In addition to amounts
19 previously appropriated for the state fiscal biennium ending August
20 31, 2005, the amount of \$66,300,000 is appropriated out of the
21 general revenue fund to the Texas Department of Criminal Justice
22 for the two-year period beginning on the effective date of this Act
23 for the purpose of providing for correctional managed health care.

24 SECTION 9. TEACHER RETIREMENT SYSTEM OF TEXAS: EMPLOYEE
25 PASS-THROUGH. In addition to amounts previously appropriated for
26 the state fiscal biennium ending August 31, 2005, the amount of
27 \$30,700,000 is appropriated out of the Economic Stabilization Fund

1 to the Teacher Retirement System of Texas for the two-year period
2 beginning on the effective date of this Act for the purpose of
3 funding the employee pass-through program.

4 SECTION 10. TEXAS EDUCATION AGENCY: JUVENILE JUSTICE
5 ALTERNATIVE EDUCATION PROGRAM. In addition to amounts previously
6 appropriated for the state fiscal biennium ending August 31, 2005,
7 the amount of \$400,000 is appropriated out of General Revenue
8 Account No. 193 (the Foundation School Fund) to the Texas Education
9 Agency for the two-year period beginning on the effective date of
10 this Act for the purpose of funding the juvenile justice
11 alternative education program through an interagency agreement
12 with the Texas Juvenile Probation Commission.

13 SECTION 11. TEXAS EDUCATION AGENCY: FOUNDATION SCHOOL
14 PROGRAM. In addition to amounts previously appropriated for the
15 state fiscal biennium ending August 31, 2005, the amount of
16 \$560,000,000 is appropriated out of the Economic Stabilization Fund
17 to the Texas Education Agency for the two-year period beginning on
18 the effective date of this Act for the purpose of funding the
19 Foundation School Program.

20 SECTION 12. TEXAS EDUCATION AGENCY: TEXTBOOKS. In
21 addition to amounts previously appropriated for the state fiscal
22 biennium ending August 31, 2005, the amount of \$175,000,000 is
23 appropriated out of the Economic Stabilization Fund to the Texas
24 Education Agency for the two-year period beginning on the effective
25 date of this Act for the purpose of funding the purchase of
26 textbooks.

27 SECTION 13. STATE BOARD FOR EDUCATOR CERTIFICATION:

1 CERTIFICATION EXAMINATION. In addition to amounts previously
2 appropriated for the state fiscal biennium ending August 31, 2005,
3 the amount of \$1,900,000 is appropriated out of the general revenue
4 fund to the State Board for Educator Certification for the two-year
5 period beginning on the effective date of this Act for the purpose
6 of funding administration of the board's certification
7 examination.

8 SECTION 14. SECRETARY OF STATE: HELP AMERICA VOTE ACT. In
9 addition to amounts previously appropriated for the state fiscal
10 biennium ending August 31, 2005, the amount of \$1,500,000 is
11 appropriated out of the general revenue fund to the secretary of
12 state for the two-year period beginning on the effective date of
13 this Act to be transferred to General Revenue Dedicated Account No.
14 5095 (the Election Improvement Fund) and used for the purpose of
15 funding the state matching contribution for the Help America Vote
16 Act.

17 SECTION 15. PARKS AND WILDLIFE DEPARTMENT: SAN JACINTO
18 MONUMENT. In addition to amounts previously appropriated for the
19 state fiscal biennium ending August 31, 2005, the amount of
20 \$2,140,000 is appropriated out of the general revenue fund to the
21 Parks and Wildlife Department for the two-year period beginning on
22 the effective date of this Act for the purpose of funding repairs to
23 the San Jacinto Monument.

24 SECTION 16. TEXAS COMMISSION ON ENVIRONMENTAL QUALITY:
25 PETROLEUM STORAGE TANK SHORTFALL. In addition to amounts
26 previously appropriated for the state fiscal biennium ending August
27 31, 2005, the amount of \$25,000,000 is appropriated out of General

1 Revenue Dedicated Account No. 655 (the Petroleum Storage Tank
2 Remediation Account) to the Texas Commission on Environment Quality
3 for the two-year period beginning on the effective date of this Act
4 for the purpose of funding cleanup of remediation sites
5 contaminated by petroleum storage tanks.

6 SECTION 17. CONTINGENCY APPROPRIATION: HOUSE BILL 1765
7 (EMERGING TECHNOLOGY FUND). (a) The appropriations made by this
8 section are contingent on the enactment by the 79th Legislature,
9 Regular Session, 2005, of H.B. No. 1765 or similar legislation that
10 becomes law relating to funding emerging technology industries
11 through a Texas Emerging Technology Fund administered as a trusteeed
12 program within the office of the governor.

13 (b) If the actual amounts transferred to the Economic
14 Stabilization Fund during the state fiscal biennium beginning
15 September 1, 2005, exceed the amount that the comptroller estimated
16 would be transferred to the Economic Stabilization Fund during that
17 biennium, then the first \$100,000,000 by which the amounts
18 transferred to the Economic Stabilization Fund during the state
19 fiscal biennium exceed the amount of the comptroller's estimate is
20 appropriated out of the Economic Stabilization Fund during the
21 state fiscal biennium beginning September 1, 2005, to the trusteeed
22 program within the office of the governor described by Subsection
23 (a) of this section for deposit into the Texas Emerging Technology
24 Fund in accordance with the legislation creating the technology
25 fund and is appropriated for the biennium for expenditure for the
26 purposes and under the procedures prescribed by the legislation
27 creating the technology fund. The comptroller's estimate described

1 by this subsection is the estimate made by the comptroller under
2 Subsection (h), Section 49-g, Article III, Texas Constitution.

3 (c) The amount of \$100,000,000 is appropriated out of the
4 general revenue fund, for the two-year period beginning on the
5 later of the effective date of this Act or the effective date of the
6 legislation described by Subsection (a) of this section, to the
7 trustee program within the office of the governor described by
8 Subsection (a) of this section for deposit into the Texas Emerging
9 Technology Fund in accordance with the legislation creating the
10 technology fund and is appropriated for expenditure for the
11 purposes and under the procedures prescribed by that legislation.

12 SECTION 18. PARTIAL RESTORATION OF APPROPRIATION REDUCTION
13 FOR PROPERTY SALES. (a) The purpose of this section is to restore a
14 portion of the reduction in appropriations made by Section
15 12.04(d), Article IX, Chapter 1330, Acts of the 78th Legislature,
16 Regular Session, 2003 (the General Appropriations Act), to agencies
17 and institutions that on August 31, 2003, owned real property
18 purchased with general revenue or general revenue dedicated funds
19 and that had appropriations reduced under Section 12.04(d) by an
20 aggregate total of \$97,000,000 for the state fiscal biennium ending
21 August 31, 2005.

22 (b) The amount of \$78,928,959 is appropriated out of the
23 general revenue fund to the agencies and institutions described by
24 Subsection (a) of this section for the two-year period beginning on
25 the effective date of this Act for the purpose described by
26 Subsection (a) of this section. An agency or institution that
27 receives a portion of the amount appropriated by this section under

1 Subsection (c) of this section may spend the amount received for the
2 purposes for which the agency or institution was authorized to
3 spend the appropriation that was reduced.

4 (c) The governor and the Legislative Budget Board, taking
5 into account the reductions and distributions made under Section
6 12.04(d), Article IX, Chapter 1330, Acts of the 78th Legislature,
7 Regular Session, 2003 (the General Appropriations Act), shall
8 allocate the amount appropriated by this section among the agencies
9 and institutions described by Subsection (a) of this section.

10 SECTION 19. CONTINGENCY APPROPRIATIONS: HOUSE BILL 2; HOUSE
11 BILL 3; HOUSE BILL 3540; SENATE BILL 1863. (a) Contingent on H.B.
12 No. 2 or similar legislation relating to the public school finance
13 system being enacted by the 79th Legislature, Regular Session,
14 2005, and becoming law and contingent on H.B. No. 3540 or similar
15 legislation and S.B. No. 1863 or similar legislation relating to
16 certain fiscal matters affecting governmental entities being
17 enacted by the 79th Legislature, Regular Session, 2005, and
18 becoming law, in addition to other amounts appropriated by the 79th
19 Legislature, Regular Session, 2005, for the Foundation School
20 Program:

21 (1) the additional amount of \$872,000,000 is
22 appropriated out of the Economic Stabilization Fund and the
23 additional amount of \$1,528,000,000 is appropriated out of the
24 general revenue fund to the Texas Education Agency for the state
25 fiscal biennium beginning September 1, 2005, to implement the
26 provisions of H.B. No. 2 or of that similar legislation that
27 contemplate an increase in the amount of total state revenue

1 provided under the Foundation School Program for the operation of
2 school districts; and

3 (2) contingent on H.B. No. 3 or similar legislation
4 relating to the financing of public schools and property tax relief
5 being enacted by the 79th Legislature, Regular Session, 2005, and
6 becoming law, all the additional state revenue that is received
7 during the state fiscal biennium beginning September 1, 2005, that
8 as estimated by the comptroller is attributable to changes in law
9 made by H.B. No. 3 or by that similar legislation and that may be
10 spent for the purposes of the Foundation School Program is
11 appropriated to the Texas Education Agency for the period and for
12 the purpose described by Subdivision (1) of this subsection.

13 (b)(1) As an alternative to the appropriation made under
14 Subsection (a) of this section, contingent on H.B. No. 2 or similar
15 legislation by the 79th Legislature, Regular Session, 2005,
16 relating to the public school finance system not being enacted and
17 becoming law, the following amounts, totaling \$872,000,000, are
18 appropriated out of the Economic Stabilization Fund for the state
19 fiscal biennium beginning September 1, 2005, for the following
20 purposes:

21 (A) the amount of \$164,600,000 is appropriated to
22 the Texas Education Agency for the purchase of textbooks and
23 related continuing contracts;

24 (B) the amount of \$265,300,000 is appropriated to
25 the Department of Family and Protective Services to provide
26 reimbursements for the care and treatment of children who have been
27 placed in foster homes or residential treatment facilities as a

1 result of abuse or neglect allegations;

2 (C) the amount of \$126,000,000 is appropriated to
3 the Department of Family and Protective Services to provide
4 adoption subsidy payments for families that adopt children with
5 disabilities, school-age children, minority children, and children
6 in sibling groups; and

7 (D) the amount of \$316,100,000 is appropriated to
8 the Texas Education Agency for the Student Success Initiative.

9 (2) Contingent on the alternative appropriations
10 under Subdivision (1) of this subsection being made, appropriations
11 made by S.B. No. 1, 79th Legislature, Regular Session, 2005 (the
12 General Appropriations Act) from the general revenue fund, general
13 revenue dedicated accounts, and general revenue-related funds for
14 the purposes described by Subdivision (1) of this subsection are
15 reduced by the amounts by which appropriations for the
16 corresponding purpose are made under Subdivision (1) of this
17 subsection.

18 (c) In the event that the contingent appropriations under
19 Subsection (a) of this section are made, the Texas Education
20 Agency:

21 (1) shall develop a plan to expend the appropriations
22 in accordance with H.B. No. 2 or similar legislation that includes
23 making adjustments to strategies, methods of finance, performance
24 measures, and riders as necessary to implement the legislation; and

25 (2) in accordance with Section 69, Article XVI, Texas
26 Constitution, may not expend the appropriations made under
27 Subsection (a) of this section without the prior approval of the

1 governor and the Legislative Budget Board.

2 SECTION 20. APPROPRIATIONS REDUCTION: CERTAIN UNEXPENDED
3 BALANCES. The unencumbered amounts appropriated under Section
4 11.28, Article IX, Chapter 1330, Acts of the 78th Legislature,
5 Regular Session, 2003 (the General Appropriations Act), as amended
6 by Article 5, Chapter 10, Acts of the 78th Legislature, 3rd Called
7 Session, 2003, are reduced as follows:

8 (1) the amount of federal funds appropriated by
9 Section 11.28, as amended, for state fiscal relief and held in the
10 general revenue fund is reduced by \$180,472,802;

11 (2) the amount appropriated by Section 11.28, as
12 amended, that resulted from items of appropriation made by the 78th
13 Legislature that were vetoed under Section 14, Article IV, Texas
14 Constitution, and that is held in the undedicated portion of the
15 general revenue fund is reduced by \$24,425,786; and

16 (3) the amount appropriated by Section 11.28, as
17 amended, that resulted from items of appropriation made by the 78th
18 Legislature that were vetoed under Section 14, Article IV, Texas
19 Constitution, and that is held in the general revenue fund as
20 general revenue dedicated money is reduced by \$2,150,657.

21 SECTION 21. SALARIES: NINTH COURT OF APPEALS, BEAUMONT;
22 APPROPRIATIONS REDUCTION: TENTH COURT OF APPEALS, WACO. (a) In
23 addition to amounts previously appropriated for the state fiscal
24 biennium ending August 31, 2005, the amount of \$36,000 is
25 appropriated out of the general revenue fund to the Ninth Court of
26 Appeals, Beaumont, for the two-year period beginning on the
27 effective date of this Act for the purpose of funding salaries.

1 (b) The unencumbered amounts previously appropriated for
2 the state fiscal biennium ending August 31, 2005, from the general
3 revenue fund to the Tenth Court of Appeals, Waco, are reduced by
4 \$36,000.

5 SECTION 22. APPROPRIATIONS REDUCTION: TEXAS PUBLIC FINANCE
6 AUTHORITY. The unencumbered amount of general revenue funds
7 appropriated to the Texas Public Finance Authority to be used for
8 general obligation bond debt service during the state fiscal
9 biennium ending August 31, 2005, is reduced by \$17,500,000.

10 SECTION 23. APPROPRIATIONS REDUCTION: DEPARTMENT OF AGING
11 AND DISABILITY SERVICES. The unencumbered amount of general
12 revenue dedicated funds appropriated to the Department of Aging and
13 Disability Services from General Revenue Dedicated Account No. 543
14 (the Texas Capital Trust Fund) for use during the state fiscal
15 biennium ending August 31, 2005, is reduced by \$1,943,939. The
16 department shall identify the strategies and objectives out of
17 which the reductions in unencumbered amounts are to be made.

18 SECTION 24. APPROPRIATIONS REDUCTION: TEXAS LOTTERY
19 COMMISSION. The unencumbered amount of general revenue dedicated
20 funds appropriated to the Texas Lottery Commission from General
21 Revenue Dedicated Account No. 5025 (the State Lottery Account) for
22 use during the state fiscal biennium ending August 31, 2005, is
23 reduced by \$1,690,606. The commission shall identify the
24 strategies and objectives out of which the reductions in
25 unencumbered amounts are to be made.

26 SECTION 25. APPROPRIATIONS REDUCTION: PUBLIC UTILITY
27 COMMISSION OF TEXAS. The unencumbered amount of general revenue

1 dedicated funds appropriated to the Public Utility Commission from
2 General Revenue Dedicated Account No. 5100 (the System Benefit
3 Fund, previously known as the System Benefit Trust Fund) for use
4 during the state fiscal biennium ending August 31, 2005, is reduced
5 by \$57,200,000. The commission shall identify the strategies and
6 objectives out of which the reductions in unencumbered amounts are
7 to be made.

8 SECTION 26. APPROPRIATIONS REDUCTION: TEXAS WORKERS'
9 COMPENSATION COMMISSION. The unencumbered amount of general
10 revenue dedicated funds appropriated to the Texas Workers'
11 Compensation Commission from General Revenue Dedicated Account No.
12 5101 (the Subsequent Injury Fund) for use during the state fiscal
13 biennium ending August 31, 2005, is reduced by \$6,000,000. The
14 commission shall identify the strategies and objectives out of
15 which the reductions in unencumbered amounts are to be made.

16 SECTION 27. APPROPRIATIONS REDUCTION: EMANCIPATION
17 JUNETEENTH CULTURAL AND HISTORICAL COMMISSION. The amount of
18 general revenue funds appropriated to the Texas Historical
19 Commission for the use of the Emancipation Juneteenth Cultural and
20 Historical Commission during the state fiscal biennium ending
21 August 31, 2005, is reduced by \$415,000.

22 SECTION 28. REPORTING TO LEGISLATIVE BUDGET BOARD. On
23 August 1, 2005, and on such other dates as the Legislative Budget
24 Board considers to be necessary, each entity appropriated money by
25 this Act and each agency for which an amount of appropriations is
26 reduced by this Act shall report to the board, in a format specified
27 by the board, the information requested by the board regarding use

1 of the money appropriated by this Act or the measures taken to
2 reduce appropriations as required by this Act.

3 SECTION 29. ECONOMIC STABILIZATION FUND APPROPRIATIONS.
4 The provisions of this Act that make appropriations out of the
5 Economic Stabilization Fund or that make appropriations of matching
6 federal funds the receipt of which is dependent on an appropriation
7 out of the Economic Stabilization Fund take effect only if this Act
8 receives the vote required by Section 49-g, Article III, Texas
9 Constitution.

10 SECTION 30. EFFECTIVE DATE. This Act takes effect
11 immediately.

President of the Senate

Speaker of the House

I certify that H.B. No. 10 was passed by the House on April 7, 2005, by the following vote: Yeas 144, Nays 4, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 10 on May 27, 2005, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 10 on May 29, 2005, by the following vote: Yeas 126, Nays 18, 1 present, not voting; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas.

Chief Clerk of the House

H.B. No. 10

I certify that H.B. No. 10 was passed by the Senate, with amendments, on May 25, 2005, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 10 on May 29, 2005, by the following vote: Yeas 28, Nays 3; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas.

Secretary of the Senate

I certify that the amounts appropriated in the herein H.B. No. 10, Regular Session of the 79th Legislature, are within amounts estimated to be available in the affected fund.

Certified _____

Comptroller of Public Accounts

APPROVED: _____

Date

Governor