

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 16, 2005

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2470 by Delisi (Relating to the operations of and the funding mechanisms for emergency medical services and trauma facility care in this state.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2470, As Engrossed: an impact of \$0 through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	\$0
2008	(\$16,504,000)
2009	(\$16,504,000)
2010	(\$16,504,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>TRAUMA FACILITY AND EMS</i> 5111
2006	\$0	\$0
2007	\$0	\$0
2008	(\$16,504,000)	\$81,504,000
2009	(\$16,504,000)	\$81,504,000
2010	(\$16,504,000)	\$81,504,000

The bill relates to the operations of, and the funding mechanisms for trauma facility care and emergency medical services in Texas. It would amend Chapter 780, Health and Safety Code, to: 1) clarify that unspent funds from a \$500,000 reserve, appropriated from the account for each fiscal year, shall be transferred to the reserve the following fiscal year; 2) remove language that stipulates that the \$500,000 be “maintained”; and 3) insert language that allows funding eligibility to be extended to an undesignated hospital that a) applies for trauma verification/designation after September 1, 2005; and b) files a statement of intent to seek designation and meets “active pursuit of designation” not later than the 180th day after the date the statement of intent is filed. The bill would repeal the expiration of the designated trauma facility and emergency medical services account, continuing the allocation of money generated by the driver responsibility program.

The bill would amend the Transportation Code to: 1) require traffic citations to contain a warning advising that certain convictions could result in a surcharge under the driver responsibility

program (DRP); 2) extend the installment period for paying a surcharge under DRP to not more than 36 consecutive months, and it would eliminate the minimum surcharge amount eligible for an installment payment; and 3) repeal the expiration date for the \$30 state traffic fine.

The bill would take effect on September 1, 2005.

Fiscal Analysis

The bill would amend Section 780.153(b), Transportation Code, to prohibit a rule relating to the driver responsibility program from permitting a person to pay a surcharge over a period of more than 36 consecutive months, rather than prohibiting a rule from permitting a person to pay a surcharge of less than \$2,300 over a period of more than 12 consecutive months, or of \$2,300 or more over a period of more than 24 consecutive months.

The bill would repeal Section 780.007, Health and Safety Code, relating to the expiration of the designated trauma facility and emergency medical services account. The account is set to expire September 1, 2007. The bill would remove the account's expiration date.

The bill would repeal Section 542.4031(k), Transportation Code, relating to the expiration of provisions for the assessment of a \$30 state traffic fine for certain offenses. The \$30 state traffic fine is set to expire September 1, 2007. The bill would remove this fine's expiration date.

Methodology

The Comptroller of Public Accounts (comptroller) estimates that provisions of the bill extending the installment period for paying a surcharge under DRP could have the effect of delaying revenue streams to the state, but because the extent to which the installment period would be extended and the number of persons who would be eligible to take advantage of the extended period are not known, the fiscal impact of this provision could not be estimated.

The comptroller estimates that the repeal of Section 780.007, Health and Safety Code, would have the effect of restoring the allocation of revenues collected under DRP (currently set to expire September 1, 2007): 49.5 percent to General Revenue Account 5111-Designated Trauma Facility and EMS; 49.5 percent to General Revenue Fund 0001; and 1 percent to General Revenue Fund 0001 designated to the Department of Public Safety for certain purposes.

The comptroller estimates that the repeal of Section 542.4031(k), Transportation code, (relating to the expiration of the \$30 state traffic fine) would result in an annual revenue gain to the state in the amount of \$65 million beginning in fiscal year 2008. Of those funds, 67 percent would be allocated to General Revenue Fund 0001 and 33 percent would be allocated to General Revenue-Dedicated Account 5111 - Designated Trauma Facility and EMS.

Beginning in fiscal year 2008, the continuation of the allocation of DRP funds in Chapter 780, Health and Safety Code, and the continuation of the \$30 state traffic fine, combined, would result in a net revenue loss of approximately \$16,504,000 per year to General Revenue Fund 0001 and a net revenue gain of \$81,504,000 per year to General Revenue-Dedicated Account 5111 - Designated Trauma Facility and EMS.

Local Government Impact

Regional advisory councils that receive funds from the designated trauma facility and emergency medical services account would be able to roll over those funds for one fiscal year instead of returning the funds to the state. This would result in a positive fiscal impact and a more stable fiscal structure for the councils' emergency medical services.

The Department of State Health Services and the Health and Human Services Commission report that the provisions of the bill could increase the overall number of hospitals eligible for funding which could in turn reduce the amount of money that will be distributed for uncompensated trauma care to any one hospital. Costs to local governments would depend upon the amount of funds available to be

distributed and number of hospitals that have received trauma funds in any given fiscal year.

The bill would repeal Section 542.4031(k) of the Transportation Code to remove the expiration date for the \$30 state traffic fine. This would result in counties continuing to receive five percent of the proceeds from the fines in fiscal years 2008, 2009, and 2010. These proceeds are estimated at approximately \$3.4 million in each of those fiscal years.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 529 Health and Human Services Commission, 537 Department of State Health Services

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