

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 24, 2009

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: **HB4586** by Pitts (Relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority and prescribing limitations regarding appropriations.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4586, Committee Report 2nd House, Substituted: a positive impact of \$253,159,376 through the biennium ending August 31, 2011.

Appropriations:

Fiscal Year	Appropriation out of General Revenue Fund 1	Appropriation out of Volunteer Fire Dept Assistance 5064	Appropriation out of Regional Trauma Account 5137	Appropriation out of Federal Funds 555
2009	(\$288,959,241)	\$2,500,000	\$6,712,284	\$2,355,677,252
2010	\$34,193,439	\$0	\$0	\$0
2011	\$1,606,426	\$0	\$0	\$0

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2009	\$288,959,241
2010	(\$34,193,439)
2011	(\$1,606,426)
2012	\$0
2013	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from General Revenue Fund 1	Probable Savings/ (Cost) from Federal Funds 555	Probable Savings/ (Cost) from Volunteer Fire Dept Assistance 5064	Probable Savings/ (Cost) from Regional Trauma Account 5137
2009	\$288,959,241	(\$2,355,677,252)	(\$2,500,000)	(\$6,712,284)
2010	(\$34,193,439)	\$0	\$0	\$0
2011	(\$1,606,426)	\$0	\$0	\$0
2012	\$0	\$0	\$0	\$0
2013	\$0	\$0	\$0	\$0

Fiscal Analysis

The bill would make supplemental appropriations and reduce appropriations for various state agencies.

The bill would make the following appropriations. Unless otherwise stated, all appropriations are made out of the General Revenue Fund.

\$11,796,415 to the Department of State Health Services for the purpose of paying for costs associated with the swine flu.

\$917,389 to the Cancer Prevention and Research Institute: Operations to provide for salaries, wages, travel acquisition of information technology, computers, furniture, legal counseling and contracts. The bill would authorize the Cancer Prevention and Research Institute to employ an additional 16 FTE's during the state fiscal year ending August 31, 2009.

\$2,396,612 to the Texas Facilities Commission to provide for payment of increased utility costs resulting from an increase in utility rates.

\$188,349 to the Texas Ethics Commission for the fiscal year ending August 31, 2009 to reimburse the commission for the payment of the judgment in the *Free Market Association of Texas v. Texas Ethics Commission*.

\$1,894,676 to the Texas State Library and Archives commission for the Lorenzo de Zavala Building.

The bill would appropriate, out of reimbursements received from the Federal Emergency Management Agency, \$11,000,000 to either the State Preservation Board or the Historical Commission for costs associated with the restoration of the Governor's Mansion.

The bill would appropriate all revenue deposited into the Regional Trauma Account – 5137, estimated to be \$6,712,284, to the Health and Human Services Commission for the fiscal year ending August 31, 2009 to reimburse uncompensated trauma care.

\$2,630,206 to the Texas Education Agency to conduct criminal history background checks.

\$3,729,808 to Texas Southern University for the purpose of paying for, or reimbursing payments made for costs associated with damage caused by natural disasters.

\$2,350,000 to Texas Southern University for debt service payments.

The bill would appropriate \$152,976,878 to certain community and junior colleges to restore fiscal year 2009 proportional state contributions for health benefits.

\$2,500,000 to the Texas Forest Service out of the General Revenue Dedicated Account – 5064 for grants to volunteer fire departments for training and equipment through the Volunteer Fire Department Assistance Program.

\$500,000 to the University of Texas Medical Branch: Higher Education Group Insurance Contributions for additional contributions made to higher education group insurance.

\$2,800,000 to the University of North Texas to reimburse the cost of planning and design for construction of a second academic building at the Dallas campus.

\$164,230,000 to the Texas Department of Criminal Justice (TDCJ) to cover certain operational shortfalls and costs of damages resulting from natural disasters. In addition, \$48,144,918 is appropriated to TDCJ to provide correctional managed health and psychiatric care, and for the use of infirmary beds at The University of Texas Health Science Center at Tyler, for the rental of a CT scanner and to provide outpatient cancer treatment.

\$4,000,000 to the Water Development Board for structural improvements to the Medina Lake Dam.

\$54,664 to the Soil and Water Conservation Board, plus the unexpended and unencumbered balance of the appropriations made by HB 1, Acts of the 80th Legislature, Regular Session, 2007 to provide mileage reimbursement for soil and water conservation district directors.

\$178,525 to the Racing Commission to provide for current operations as a result of a revenue shortfall.

\$4,245,244 to the University of Houston to develop and construct the National Large Wind Turbine Research and Testing Facility.

\$10,000,000 to the Texas Department of Criminal Justice for correctional security equipment.

\$62,351,306 to the Department of Aging and Disability Services under Strategy A.6.1, Nursing Facility Payments.

The bill would appropriate the following amounts to the Department of Family and Protective Services:

\$5,917,242 under Strategy A.2.11, Adoption Subsidy Payments;

\$6,657,839 under Strategy C.1.1, CPS Reform Continued;

\$13,126,361 under A.3.1, APS Direct Delivery Staff;

\$5,280,315 under Strategy A.2.3, TWC Foster Day Care; and

\$ 3,732,979 in federal funds under Strategy C.1.1, CPS Reform and \$12,460,353 in federal funds under Strategy A.2.1, CPS Direct Delivery Staff

\$6,600,000 to the Department of Assistive and Rehabilitative Services for autism services for children.

\$790,589,278 to the Health and Human Services Commission under Goal B Medicaid; and

\$323,850,650 under Strategy B.2.3, Medicare Federal Give Back.

\$9,902,630 to the University of Texas to provide for the 2008-2009 biennium formula hold harmless.

Of this amount \$700,000 is set aside for the Marine Science Institute.

\$150,000 to Texas Southern University to ensure proper preservation and display of the Mickey Leland and Barbara Jordan papers.

\$1,000,000 to the Texas parks and Wildlife Department to support operations of the Texas State Railroad.

The following amounts are appropriated out of the General Revenue Fund for costs associated with Natural Disasters:

\$150,000,000 to UT Medical Branch at Galveston;

\$120,111 to Brazosport College;

\$12,000,000 to the Parks and Wildlife Department;

\$1,725,995 to UT M.D. Anderson Cancer Center;

\$2,358,771 to Alvin College;

\$5,700,000 to Texas A&M Galveston;

\$385,091 to the Texas Forest Service;

\$1,507,670 to the Houston Community College;

\$4,600,000 to the Commission on Environmental Quality;

\$3,045,820 to San Jacinto College;

\$407,406 to Galveston College;

\$1,200,000 to the Texas Engineering Extension Service;

\$1,244,007 to the Adjutant General's Department;

\$1,200,000 to the University of Texas at Brownsville;

\$2,803,561 to Lamar University;

\$2,007,758 to Lamar Institute of Technology;

\$829,530 to Lamar State College: Port Arthur;

\$9,720,192 to Texas Southern University;

\$176,236 to the College of the Mainland;

\$102,258 to the University of Texas Pan American;

\$1,461,557 to The University of Texas Health Center at Tyler;

\$1,000,000 to The University of Texas Health Science Center at Houston;

\$7,339,000 to the University of Houston System Administration;
\$904,558 to Texas State Technical College: Harlingen;
\$600,000 to Lamar State College: Orange;
\$488,864 to Prairie View A&M University;
\$137,554 to Lee College; and
\$20,000,000 to the Department of Agriculture.

The bill would appropriate \$31,478,218 to the Texas Forest Service for costs associated with wildfires, and \$69,339 to pay for or reimburse payments made for costs associated with flooding.

The bill would appropriate \$16,565,040 to the Trusteed Programs within the Office of the Governor for the Governor's Division of Emergency Management to remove debris from certain counties and the City of Houston.

\$52,000,000 would be appropriated to the Disaster Contingency Fund for expenditure by the Trusteed Programs within the Office of the Governor to provide disaster relief.

Under the provisions of the bill, Texas State University System or the component institutions would deposit, to the credit of the General Revenue Fund, all reimbursements associated with disaster recovery related expenditures. This reimbursement amount is expected to total \$9,100,000 in Federal Emergency Management Agency (FEMA) reimbursements.

The bill would make the following appropriation reductions for fiscal year 2009:

\$27,300,000 from the Office of the Attorney General, Strategy B.1.1, Child Support Enforcement.

\$4,245,244 from the University of Houston.

\$3,729,808 from Texas Southern University, Strategy B.1.2 Tuition Revenue Bond Retirement..

\$500,000 from The Texas Tech University Health Science Center, Strategy C.1.22, Texas Tech University Health Sciences Center to reflect the transfer of 47 full-time equivalent employee positions to the University of Texas Medical Branch at Galveston.

\$500,000,000 from the Texas Education Agency, Strategy A.1.1, FSP –Equalized Operations

The following amounts would be reduced from the Texas Education Agency:

\$19,251,340 from Strategy A.2.1, Student Success;
\$1,037,973 from Strategy A.2.4, School Improvement and Support Programs;
\$108,007 from Strategy B.2.1, Educational Technology; and
\$1,300,434 from Strategy B.2.2, Safe Schools.

\$2,931,371 from the Department of Assistive and Rehabilitative Services, Strategy B.3.1, Vocational Rehabilitation – General

\$473,774,915 from the Department of Aging and Disability Services, Strategy A.6.1, Nursing Facility Payments

\$1,127,526,993 from the Health and Human Services Commission, Strategy B.1.4, Children and Medically Needy

The bill would make the following appropriation reductions from the Department of Family and Protective Services:

\$3,961,399 from Strategy A.2.1, CPS Direct Delivery Staff;
\$1,769,065 from Strategy A.2.12, STAR Program;
\$1,100,000 from Strategy A.2.13, CYD Program;
\$1,368,000 from Strategy A.2.16, Other At-Risk Prevention Programs;
\$10,976,561 from Strategy A.2.10, Foster Care Payments; and

\$7,565,224 from Strategy A.2.11, Adoption Subsidy Payments.

The bill would reduce the following appropriations made to the Water Development Board for Debt Service Payments:

\$15,820,198 from Strategy A.1.2, State Participation Debt Service;

\$15,231,801 from Strategy A.1.1, EDAP debt Service;

\$3,354 from Strategy A.1.3, AG Water Conservation Debt; and

\$1,894,416 from strategy A.1.4, WIF Debt Service.

Department of Family and Protective Services, Strategy A.2.10, Foster Care Payments is reduced by \$30,100,979 out of the General Revenue Fund and \$28,959,773 out of federal funds (TANF).

The bill would make the following appropriations out of the funds received under the American Recovery and Reinvestment Act of 2009:

\$662,200,000 to the Texas Department of Transportation for highway and bridge construction.

\$27,300,000 to the Office of the Attorney General for the purpose of providing child support enforcement.

\$1,619,843,693 to the Health and Human Services Commission for the purpose of increased federal funding for Medicaid and foster care/adoption subsidies.

Fiscal Year 2010-2011 Appropriations

Contingent upon a settlement agreement, \$22,648,532 would be appropriated out of the General Revenue Fund for fiscal year ending August 31, 2010 to provide additional staffing, monitoring activities, training and other one-time costs to the Department of Aging and Disability Services. In addition, the department would be permitted to employ an additional 37 FTE's during the 2010 fiscal year and an additional 43 FTE's in fiscal year 2011.

Contingent upon a settlement agreement, \$1,544,907 would be appropriated for fiscal year ending August 31, 2010 and \$1,606,426 for fiscal year beginning September 1, 2010 to the Department of Family and Protective Services for incident management and to ensure protection from harm, abuse, or neglect for residents of state schools.

Contingent upon enactment of HB 2654, or similar legislation by the Eighty-first legislature, Regular Session, 2009 and upon certification by the Comptroller, \$10,000,000 would be appropriated to the Texas State Technical College System Administration for fiscal year ending August 31, 2010 for capital expenditures and renovations.

Methodology

Under the provisions of the bill, the federal funds appropriated under the American Recovery and Reinvestment Act (ARRA) must be expended for the purposes stated in this bill, unless otherwise approved by the Governor and the Legislative Budget Board (LBB). The Comptroller and the State Auditor would be required to coordinate to ensure appropriate use of the funds throughout the two-year period and a state agency receiving funds would be required to comply with reporting requirements prescribed.

The bill would require approval from the LBB prior to monies being expended out of the Disaster Contingency Fund for disaster relief.

The bill would take effect immediately upon enactment.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD