

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

February 26, 2013

TO: Honorable Tommy Williams, Chair, Senate Committee On Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB10** by Pitts (relating to making emergency supplemental appropriations and providing direction and transfer authority regarding certain appropriations.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB10, Committee Report 2nd House, Substituted: a negative impact of (\$6,586,581,148) through the biennium ending August 31, 2013.

Appropriations:

Fiscal Year	Appropriation out of <i>General Revenue Fund</i> 1	Appropriation out of <i>Foundation School</i> <i>Fund</i> 193	Appropriation out of <i>Tobacco Settlnmt</i> <i>Receipts</i> 5040	Appropriation out of <i>Appropriated Receipts</i> 666
2013	\$4,179,581,148	\$2,067,000,000	\$340,000,000	\$313,000,000
2014	\$0	\$0	\$0	\$0

Fiscal Year	Appropriation out of <i>Federal Funds</i> 555
2013	\$6,649,504,434
2014	\$0

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2013	(\$6,586,581,148)
2014	\$0
2015	\$0
2016	\$0
2017	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from Foundation School Fund 193	Probable Savings/(Cost) from Tobacco Settlement Receipts 5040	Probable Savings/(Cost) from Appropriated Receipts 666
2013	(\$4,179,581,148)	(\$2,067,000,000)	(\$340,000,000)	(\$313,000,000)
2014	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0

Fiscal Year	Probable Revenue Gain/(Loss) from Federal Funds 555	Probable Savings/(Cost) from Federal Funds 555
2013	\$6,649,504,434	(\$6,649,504,434)
2014	\$0	\$0
2015	\$0	\$0
2016	\$0	\$0
2017	\$0	\$0

Fiscal Analysis

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

The bill would make the following appropriations out of the General Revenue Fund which total \$6,586,581,148:

\$3,163,515,906 to the Health and Human Services Commission (HHSC) for the purpose of providing acute care services under the Medicaid program.

\$1,019,065,242 to the Department of Aging and Disability Services (DADS) for the purpose of providing long-term care services under the Medicaid program.

The bill would reduce unencumbered appropriations to Texas Public Finance Authority (TPFA), Strategy A.2.2, Bond Debt Service Payments, by \$3,000,000 out of the General Revenue Fund.

The bill would make the following appropriations out of General Revenue account 5040, Tobacco Settlement which total \$340,000,000:

\$265,316,377 to HHSC for the purpose of providing acute care services under the Medicaid program.

\$74,683,623 to HHSC for the purpose of providing services under the CHIP program.

The bill would appropriate \$317,000,000 from General Revenue Account 00193, Foundation School, to the Texas Education Agency (TEA) for the purpose of providing for the Foundation School Program (FSP).

The bill would appropriate \$313,000,000 from fund 0666, Appropriated Receipts to TEA for the purpose of providing for the FSP.

Contingent upon passage of legislation to amend the statutory schedule of payments to school

districts through the FSP, the bill would appropriate \$1,750,000,000 from General Revenue Account 00193, Foundation School, to TEA for payment of the installment of FSP entitlement.

The bill would appropriate \$6,649,504,434 in Federal Funds as follows:

\$187,456,156 to HHSC for services under the CHIP program.

\$1,484,780,561 to DADS for services under the Medicaid program.

\$4,977,267,717 to HHSC for services under the Medicaid program.

The bill would take effect immediately upon enactment.

Methodology

The amounts identified above represent changes to previously budgeted amounts for the state fiscal biennium ending August 31, 2013. This analysis assumes immediate effect.

Local Government Impact

Appropriation increases to the FSP of \$630 million would ensure full funding of formula entitlements to school districts for fiscal year 2013.

Contingent upon passage of legislation to amend the statutory schedule of payments to school districts through the FSP, school districts scheduled to receive the final installment of FSP entitlement for fiscal year 2013 in September of fiscal year 2014 under current law would receive that payment of \$1.75 billion in August of fiscal year 2013 under the provisions of the bill.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, AG