

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 16, 2017

TO: Honorable John Zerwas, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2 by Zerwas (Relating to making supplemental appropriations and giving direction and adjustment authority regarding appropriations.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2, As Introduced: a positive impact of \$39,856,983 through the biennium ending August 31, 2019.

Appropriations:

Fiscal Year	Appropriation out of <i>General Revenue Fund</i> 1	Appropriation out of <i>Federal Funds</i> 555	Appropriation out of <i>Economic Stabilization Fund</i> 599
2017	(\$39,856,983)	\$1,735,043,901	\$1,424,600,808
2018	\$0	\$0	\$7,169,791
2019	\$0	\$0	\$0

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2017	\$39,856,983
2018	\$0
2019	\$0
2020	\$0
2021	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Federal Funds</i> 555	Probable Savings/(Cost) from <i>Economic Stabilization Fund</i> 599
2017	\$39,856,983	(\$1,735,043,901)	(\$1,424,600,808)
2018	\$0	\$0	(\$7,169,791)
2019	\$0	\$0	\$0
2020	\$0	\$0	\$0
2021	\$0	\$0	\$0

Fiscal Analysis

HB 2 provides for the following appropriations-related provisions:

Net General Revenue-related appropriations total a decrease of (\$39,856,983) in fiscal year 2017 as follows:

Texas Public Finance Authority - Bond Debt Service Payments (\$39,856,983)

Net Federal Funds appropriations total an increase of \$1,735,043,901 in fiscal year 2017 as follows:

Health and Human Services Commission - Acute Care Therapy Services \$29,800,000

Health and Human Services Commission - Medicaid Shortfall \$1,705,243,901

Net Economic Stabilization Fund appropriations total an increase of \$1,424,600,808 in fiscal year 2017 as follows:

Family and Protective Services - Entitlement Programs and Day Care \$46,310,266

Family and Protective Services - Critical Needs \$101,697,474

Health and Human Services Commission - Acute Care Therapy Services \$21,500,000

Health and Human Services Commission - Medicaid Shortfall \$930,733,818

Health and Human Services Commission - Critical Life and Safety Needs \$188,609,263

Health and Human Services Commission - Forensic Bed Capacity \$50,000,000

Texas A&M Forest Service - Emergency Responses Reimbursement \$5,100,000

Department of Criminal Justice - Correctional Managed Health Care \$80,000,000

Animal Health Commission - Cattle Tick Fever Mitigation \$649,987

Net Economic Stabilization Fund appropriations total an increase of \$7,169,791 in fiscal year 2018 as follows:

Animal Health Commission - Cattle Tick Fever Mitigation \$7,169,791

The bill also includes adjustments to appropriations authority, including most significantly the transfer of \$29,247,213 in General Revenue and \$72,450,261 in Temporary Assistance for Needy Families (TANF) from DFPS to the Health and Human Services Commission (HHSC). These funds are replaced by the appropriation made in Section 9.

The bill also amends HHSC Rider 50, subsection (c) to realign the General Revenue savings target from therapy rate reductions for fiscal year 2017 from \$50,000,000 to \$28,000,000 and deletes the requirement that fiscal year 2017 therapy rates shall be reduced further if the policy initiatives in the rider are not achieved.

The bill requires HHSC to receive written approval from the LBB prior to expending any amount appropriated for Medicaid Services in the bill.

Methodology

The amounts identified above represent changes to previously authorized amounts and purposes for the state fiscal year ending August 31, 2017, with the exception of the authorization of \$7,169,791 for the Animal Health Commission; that authorization is for the state biennium ending

August 31, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, KK, SD, WP