

## **BILL ANALYSIS**

C.S.H.B. 15  
By: Chisum  
Appropriations  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Each legislative session, state agencies project the costs of fulfilling their functions and providing important services for the following two-year budget period. This information, combined with the biennial estimate of revenues submitted to the Governor and the Legislature before the convening of each regular session, are key components to the construction of a General Appropriations Act -- and themselves are comprised of projections related to caseload, population, and enrollment growth, as well as other economic factors. Committee Substitute House Bill 15 makes adjustments in appropriations for various state agencies, including adjustments necessary to correct underreporting for group insurance enrollment and reimburse agencies for unexpected expenses such as increased utility costs.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2007, C.S.H.B. 15 appropriates the following amounts from the general revenue fund for the two-year period beginning on the effective date of this Act to:

- Austin Community College: \$3,678,942 to correct the underreporting of state-funded group health insurance enrollment;
- South Plains College: \$1,424,764 to correct the underreporting of state-funded group health insurance enrollment;
- Texas Department of Criminal Justice: \$47,000,000 to provide for salaries and wages, hazardous duty and longevity pay, overtime pay, contractual rate adjustments, utilities, and fuel;
- Texas Department of Criminal Justice: \$12,940,619 to provide for correctional managed health care;
- Texas Department of Licensing and Regulation: \$463,202 to pay the unanticipated costs of relocating the functions and operations of the former Cosmetology Commission and former Board of Barber Examiners and to pay obligations, including accrued interest, of the commission and the board (Claims for payment or reimbursement for goods or services received before August 31, 2005, by the former Cosmetology Commission or the former Board of Barber Examiners may not be paid using these funds unless the claim is verified and substantiated by the executive director of the Texas Department of Licensing and Regulation and approved by the attorney general and the comptroller of public accounts. Claim approval must occur before August 31, 2008.);
- Texas Building and Procurement Commission: \$64,013,000, to provide for various life safety and deferred maintenance projects;
- Texas Building and Procurement Commission: \$12,847,069 for the abatement of asbestos and the build-out of the Stephen F. Austin Building;
- Texas Building and Procurement Commission: \$2,847,069 for utility payments;
- Texas Southern University: \$13,645,120 to pay for deferred maintenance, outstanding expenses, emergency maintenance repairs, contract deficits, audit and legal costs, and funding for summer school and the TSU/HISD Charter School;
- Angelo State University: \$50,000 for utility payments;

- Texas Forest Service: \$44,730,767 for wildfire costs;
- Texas Forensic Science Commission: \$45,000 for salary, office, and travel expenses under Article 38.01, Code of Criminal Procedure (The commission may employ one additional FTE during this period.);
- Adjutant General's Department: \$1,681,615 to pay salaries and wages and to provide for maintenance and operations;
- State Board of Dental Examiners: \$85,000 to cover a shortfall of appropriated receipts; and
- Supreme Court: \$101,498 to provide grants to appellate courts for additional staff to handle multi-district litigation cases.

In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2007, C.S.H.B. 15 appropriates \$1,222,827 out of the general revenue fund to the Texas Medical Board for the two-year period ending August 31, 2007, to repay the Governor's Emergency and Deficiency Grant awarded in fiscal year 2006 and to pay operating expenses for licensing and enforcement and an additional \$600,248 is appropriated out of the public assurance account to pay for agency operating expenses for licensing and enforcement. The board may employ an additional six full-time equivalent employees (FTEs) during this period.

In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2007, C.S.H.B. 15 appropriates the following amounts from the general revenue fund for the two-year period beginning on the effective date of this Act to restore reductions in appropriations for commercial air travel:

- Structural Pest Control Board: \$2,595;
- School for the Blind and Visually Impaired: \$33,370;
- School for the Deaf: \$139,207; and
- Eleventh Court of Appeals, Eastland: \$3,383.

In addition to other amounts appropriated for the state fiscal biennium ending August 31, 2009, C.S.H.B. 15 appropriates the following amounts for the state fiscal biennium ending August 31, 2009:

- Texas Building and Procurement Commission: \$3,000,000 out of the general revenue fund to complete renovations of the John H. Reagan Building;
- Comptroller of Public Accounts: \$4,100,000 out of the general revenue fund to support the comptroller's tax administration duties and statewide fiscal responsibilities;
- Health and Human Services Commission: \$108,900,000 out of the general revenue fund and \$169,951,834 in federal matching funds to restore rates paid to Medicaid and CHIP medical professionals to fiscal year 2003 levels;
- Department of Family and Protective Services: \$18,729,595 out of the general revenue fund and \$2,769,981 in federal matching funds to maintain the fiscal year 2007 average daily caseload per worker for family-based safety services and providing additional funding for statewide intake staff;
- Department of Family and Protective Services: \$34,470,640 out of the general revenue fund and \$65,445,518 in federal funds (TANF) for continued child protective services reform (The department may employ an additional 768 FTEs during the state fiscal year ending August 31, 2008 and 1,092 FTEs during the state fiscal year ending August 31, 2009.);
- Department of Aging and Disability Services: \$15,809,141 out of the general revenue fund and \$24,727,118 in federal funds for various continuing community care enhancement at fiscal year 2007 levels;
- Department of Aging and Disability Services: \$10,814,194 out of the general revenue fund and \$16,914,509 in federal funds to restore provider rates to fiscal year 2003 levels in various programs; and
- Department of State Health Services: \$3,111,684 out of the general revenue fund to restore provider rates to fiscal year 2003 levels in various programs.

C.S.H.B. 15 appropriates the following amounts for the state fiscal biennium ending August 31, 2009, for payment for data center services to:

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- Railroad Commission of Texas: \$390,354 out of the general revenue fund;
- Texas Commission on Environmental Quality: \$1,242,579 out of the general revenue fund and \$5,317,590 out of general revenue dedicated accounts;
- Texas Workforce Commission: \$1,770,705 out of the general revenue fund, \$17,699 out of general revenue dedicated accounts, and \$1,937,066 in federal funds;
- Texas Department of Transportation: \$958,928 out of the state highway fund;
- Parks and Wildlife Department: \$2,095,572 out of general revenue dedicated accounts;
- Texas Department of Criminal Justice: \$608,538 out of the general revenue fund;
- Texas State Library and Archives Commission: \$324,004 out of the general revenue fund;
- Secretary of State: \$821,426 out of the general revenue fund;
- Texas Education Agency: \$1,655,067 out of the general revenue fund, \$175,709 in other funds, and \$1,003,242 in federal funds;
- Texas Higher Education Coordinating Board: \$625,478 out of the general revenue fund, \$663,858 in other funds, and \$10,995 in federal funds;
- Public Utility Commission of Texas: \$542,429 out of the general revenue fund;
- General Land Office: \$80,900 out of the general revenue fund, \$1,294,400 out of general revenue dedicated accounts, and \$2,699,700 in other funds;
- Office of the Attorney General: \$1,482,008 out of the general revenue fund;
- Texas Alcoholic Beverage Commission: \$107,907 out of the general revenue fund;
- Texas Department of Licensing and Regulation: \$126,978 out of the general revenue fund;
- Texas Water Development Board: \$593,730 out of the general revenue fund;
- Texas Youth Commission: \$977,500 out of the general revenue fund; and
- Department of Information Resources: \$88,182 in other funds.

C.S.H.B. 15 appropriates \$8,797,336 out of the general revenue fund to the Department of Information Resources for the state fiscal year ending August 31, 2007, for the purpose of transferring funds to the applicable state agencies for making payments for data center services.

C.S.H.B. 15 appropriates the following amounts out of the general revenue fund to the Department of Information Resources to pay the one-time costs related to the data center services contract:

- \$69,355,000 for the two-year period beginning on the effective date of this Act (in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2007); and
- \$10,000,000 for the state fiscal year ending August 31, 2009 (in addition to amounts appropriated for the state fiscal biennium ending August 31, 2009).

As a result of reduced costs due to the implementation of House Bill 1516 (79th, Regular Session), appropriations to the following agencies for the state fiscal year ending August 31, 2007, are reduced by the following amounts:

- Employees Retirement System: \$221,782 out of the general revenue fund, \$58,608 out of general revenue dedicated accounts, and \$88,412 out of other funds to reflect decreased retirement program costs;
- Employees Retirement System: \$487,921 out of the general revenue fund, \$128,937 out of general revenue dedicated accounts, and \$194,507 out of other funds to reflect decreased insurance program costs;
- Comptroller of Public Accounts: \$263,044 out of the general revenue fund, \$69,511 out of general revenue dedicated accounts, and \$104,861 out of other funds to reflect decreased social security costs; and
- Comptroller of Public Accounts: \$140,729 out of the general revenue fund, \$37,189 out of general revenue dedicated accounts, and \$56,101 out of other funds to reflect decreased salary costs.

As a result of reduced costs due to the implementation of House Bill 1516 (79th, Regular Session), appropriations to the following agencies for the state fiscal biennium ending August 31, 2009, are reduced accordingly:

- Texas Department of Insurance: \$718,319 out of the general revenue fund and \$855,314 out of general revenue dedicated accounts to reflect decreased costs;
- Department of Family and Protective Services: \$1,675,034 out of the general revenue fund and \$283,282 in federal funds to reflect decreased costs;
- Department of Public Safety: \$66,600 out of the state highway fund and \$113,400 out of general revenue dedicated accounts to reflect decreased costs;
- Texas Building and Procurement Commission: \$967,247 out of the general revenue fund, \$38,950 out of general revenue dedicated accounts, and \$327,069 out of other funds to reflect decreased costs; and
- Department of Agriculture: \$218,728 out of the general revenue fund and \$668,680 in federal funds to reflect decreased costs.

C.S.H.B. 15 requires the comptroller with the assistance of affected agencies to allocate any such appropriations or reductions in appropriations from general revenue dedicated accounts or other funds according to the amounts available in the affected accounts or from the sources of other funds and the extent to which the programs supported by the dedicated accounts or sources of other funds are supported by the appropriation or, in the case of a reduction in appropriations, supported by the implementation of House Bill 1516 (79th, Regular Session).

C.S.H.B. 15 repeals certain riders from the General Appropriations Act (79th, Regular Session) relating to the Health and Human Services Commission, Department of Aging and Disability Services, and the Department of Family and Protective Services.

C.S.H.B. 15 transfers unencumbered amounts appropriated to the Health and Human Services Commission for the state fiscal biennium ending August 31, 2007 as follows:

- to the Department of Aging and Disability Services: \$122,701,559 in general revenue to pay for August 2007 services;
- to the Department of Family and Protective Services: \$12,792,244 in general revenue and \$8,971,488 in federal funds (TANF) to pay for August 2007 services;
- to the Department of Assistive and Rehabilitative Services: \$1,541,628 in general revenue for the two-year period beginning on the effective date of this Act for vocational rehabilitation; and
- to the Department of Family and Protective Services: \$13,047,000 in general revenue and \$17,883,615 in federal funds (TANF) for the two-year period beginning on the effective date of this Act for various supplemental needs previously identified by the department.

C.S.H.B. 15 reduces the unencumbered appropriations from the general revenue fund made by the General Appropriations Act (79th, Regular Session), for state fiscal year ending August 31, 2007, to the Teacher Retirement System by \$76,644,468.

The appropriations made from general revenue by the 79th Legislature in Section 13.18, Article IX of the General Appropriations Act are reduced by an amount equal to the cumulative amount of appropriations made by this Act from the general revenue fund specifically for the two-year period beginning on the effective date of this Act.

#### **EFFECTIVE DATE**

This Act takes effect immediately.

#### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B. 15 includes all items contained in the original bill except as follows.

The substitute provides additional supplemental appropriations for the following agencies:

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- Texas Department of Criminal Justice;
- Texas Building and Procurement Commission;
- Texas Southern University;
- Angelo State University;
- Texas Forest Service;
- Adjutant General's Department;
- State Board of Dental Examiners;
- Structural Pest Control Board;
- School for the Blind and Visually Impaired;
- School for the Deaf;
- Eleventh Court of Appeals, Eastland;
- Supreme Court;
- Comptroller of Public Accounts;
- Health and Human Services Commission;
- Department of Aging and Disability Services;
- Department of State Health Services;
- Railroad Commission of Texas;
- Texas Commission on Environmental Quality;
- Texas Workforce Commission;
- Texas Department of Transportation;
- Parks and Wildlife Department;
- Texas State Library and Archives Commission;
- Secretary of State;
- Texas Education Agency;
- Texas Higher Education Coordinating Board;
- Public Utility Commission of Texas;
- General Land Office;
- Office of the Attorney General;
- Texas Alcoholic Beverage Commission;
- Texas Water Development Board;
- Texas Youth Commission; and
- Department of Information Resources.

The substitute modifies the funding sources and amounts of supplemental appropriations for the Texas Medical Board and authorizes the board to employ additional FTEs.

The substitute provides additional supplemental appropriations and restriction on payment of claims for the Texas Department of Licensing and Regulation.

The substitute modifies the amount of supplemental appropriations for the Texas Building and Procurement Commission for the Stephen F. Austin Building.

The substitute provides additional supplemental appropriations for the Texas Forensic Science Commission and authorizes the commission to employ additional FTE.

The substitute provides additional supplemental appropriations for the Department of Family and Protective Services and authorizes the department to employ additional FTEs.

As a result of reduced costs due to the implementation of House Bill 1516 (79th, Regular Session), the substitute reduces appropriations for the state fiscal year ending August 31, 2007 for the following agencies:

- Employees Retirement System; and
- Comptroller of Public Accounts.

As a result of reduced costs due to the implementation of House Bill 1516 (79th, Regular Session), the substitute reduces appropriations for the state fiscal biennium ending August 31, 2009, for the following agencies:

- Texas Department of Insurance;
- Department of Family and Protective Services;
- Department of Public Safety;
- Texas Building and Procurement Commission; and
- Department of Agriculture.

The substitute allows the comptroller to allocate the appropriations or reduction in appropriations among certain sources of funding in SECTION 26.

The substitute repeals certain riders in the General Appropriations Act (79th, Regular Session).

The substitute transfers unencumbered amounts appropriated to the Health and Human Services Commission for the state fiscal biennium ending August 31, 2007, to the following agencies:

- Department of Aging and Disability Services;
- Department of Family and Protective Services; and
- Department of Assistive and Rehabilitative Services.

The substitute reduces unencumbered appropriations to the Teacher Retirement System for use during the state fiscal year ending August 31, 2007.

The substitute modifies the provisions relating to the reduction in vetoed funds appropriation.

The substitute removes the supplemental appropriation to the Health and Human Services Commission to repay the federal government amounts determined to be due in accordance with the phased-down state contribution for full dual-eligible persons as required by federal law.