

BILL ANALYSIS

Senate Research Center
83R16099 CJC-F

C.S.H.B. 1025
By: Pitts (Williams)
Finance
5/17/2013
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

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, is a key component in the construction of the General Appropriations Act.

C.S.H.B. 1025 addresses making supplemental appropriations and giving direction and adjustment authority regarding certain appropriations. The bill makes adjustments to appropriations to various agencies over various periods to address revised revenue estimates and supplemental needs.

C.S.H.B. 1025 amends current law relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. APPROPRIATION REDUCTION: TEXAS PUBLIC FINANCE AUTHORITY. Provides that the unencumbered appropriations from undedicated or dedicated portions of the general revenue fund to the Texas Public Finance Authority (TPFA) for use during the state fiscal biennium ending August 31, 2013, for bond debt service payments made by Chapter 1355 (H.B. 1) (General Appropriations Act), Acts of the 82nd Legislature, Regular Session, 2011, including appropriations authorized under Rider 2 to the bill pattern of the appropriations to the authority, are reduced by a total aggregate reduction of \$22,601,012. Requires TPFA to identify the strategies and objectives out of which the indicated reduction is to be made.

SECTION 2. APPROPRIATION REDUCTION: TEXAS DEPARTMENT OF TRANSPORTATION. Provides that the unencumbered appropriations from the general revenue fund to the Texas Department of Transportation (TxDOT) for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy G.1.1, General Obligation Bonds, are reduced by the amount of \$53,000,000.

SECTION 3. APPROPRIATION REDUCTION: DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING GENERAL OBLIGATION WATER BONDS. Provides that the unencumbered appropriations from the general revenue fund to the Texas Water Development Board (TWDB) for Debt Service Payments for Non-Self Supporting G.O. Water Bonds for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, are reduced by the following amounts:

- (1) \$1,373,065 from Strategy A.1.1, EDAP Debt Service; and

(2) \$6,325,756 from Strategy A.1.3, WIF Debt Service.

SECTION 4. APPROPRIATION REDUCTION: DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES. Provides that the unencumbered appropriations from the general revenue fund to the Department of Family and Protective Services (DFPS) for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy B.1.11, Foster Care Payments, are reduced by the amount of \$11,489,949.

SECTION 5. APPROPRIATION REDUCTION: HEALTH AND HUMAN SERVICES COMMISSION. Provides that the unencumbered appropriations from the general revenue fund to the Health and Human Services Commission (HHSC) for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy D.1.1, TANF (Cash Assistance) Grants, are reduced by the amount of \$2,330,351.

SECTION 6. APPROPRIATION REDUCTION: HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS. Provides that the unencumbered appropriations from the general revenue fund to the Higher Education Employees Group Insurance Contributions for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy A.1.11, UT Medical - Galveston, are reduced by the amount of \$1,400,437.

SECTION 7. APPROPRIATION REDUCTION: UNIVERSITY OF TEXAS AT AUSTIN. Provides that the unencumbered appropriations from the general revenue fund to the University of Texas at Austin for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy C.4.1, Institutional Enhancement, are reduced by the amount of \$2,000,000.

SECTION 8. APPROPRIATION REDUCTION: UNIVERSITY OF TEXAS AT DALLAS. Provides that the unencumbered appropriations from the general revenue fund to the University of Texas at Dallas for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy A.1.1, Operations Support, are reduced by the amount of \$890,622.

SECTION 9. APPROPRIATION REDUCTION: TEXAS A&M AGRILIFE RESEARCH. Provides that the unencumbered appropriations from general revenue account number 151, Clean Air, to Texas A&M AgriLife Research for use during the state fiscal biennium ending August 31, 2013, by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy A.1.1, Agricultural/Life Sciences Research, are reduced by the amount of \$12,500.

SECTION 10. FACILITIES COMMISSION: UTILITY COSTS. (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,400,000 is appropriated out of the general revenue fund to the Texas Facilities Commission (TFC) for Strategy B.2.1, Facilities Operation, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for the two-year period beginning on the effective date of this Act for the purpose of providing for payment of increased utility costs as a result of an increase in utility rates.

(b) Prohibits money appropriated by this section from being used by TFC for a purpose other than payment of utility expenses without the prior written approval of the Legislative Budget Board (LBB).

SECTION 11. VETERANS COMMISSION: STRIKE FORCE TEAMS; REPAYMENT OF DEFICIENCY. (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,546,003 is appropriated out of the general revenue fund to the Texas Veterans Commission (TVC) for the state fiscal year ending August 31, 2013, for the purpose of creating two state strike force teams to address the backlog of claims in Houston and Waco and to hire additional counselors to be located in hospitals and clinics operated by the United States Department of Veterans Affairs.

(b) Authorizes TVC by other law, in addition to the number of full-time equivalent employees (FTEs), to employ during the state fiscal year ending August 31, 2013, an additional 16.0 FTEs during that state fiscal year.

(c) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$500,000 is appropriated out of the general revenue fund to TVC for the state fiscal year ending August 31, 2013, for the purpose of repaying a deficiency grant made under Section 403.075 (Deficiencies), Government Code.

SECTION 12. UNIVERSITY OF HOUSTON - CLEAR LAKE. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$200,000 is appropriated out of the general revenue fund to the University of Houston - Clear Lake for Strategy A.1.4, Workers' Compensation Insurance, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for the state fiscal year ending August 31, 2013, for the purpose of current operations.

SECTION 13. TEXAS A&M ENGINEERING EXTENSION SERVICE. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,678,703 is appropriated out of the general revenue fund to the Texas A&M Engineering Extension Service for the state fiscal year ending August 31, 2013, for the purpose of reimbursing the agency for state-directed deployments for natural disasters.

SECTION 14. TEXAS A&M AGRILIFE RESEARCH. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$162,500 is appropriated out of the general revenue fund to Texas A&M AgriLife Research for the state fiscal year ending August 31, 2013, for the purpose of current operations.

SECTION 15. JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$475,000 is appropriated out of the general revenue fund to the Judiciary Section, Comptroller's Department, for Strategy D.1.8, Juror Pay, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for the state fiscal year ending August 31, 2013, for the purpose of reimbursing the agency for a transfer to Strategy D.1.10, Indigent Inmate Defense, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, to cover costs of providing legal representation for an inmate in a capital murder trial.

SECTION 16. DEPARTMENT OF CRIMINAL JUSTICE: CORRECTIONAL MANAGED HEALTH CARE. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$39,000,000 is appropriated out of the general revenue fund to the Texas Department of Criminal Justice (TDCJ) for the state fiscal year ending August 31, 2013, for the purpose of providing for correctional managed health care.

SECTION 17. COMMISSION ON ENVIRONMENTAL QUALITY: ELEPHANT BUTTE LITIGATION EXPENSES. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$500,000 is appropriated out of general revenue account number 153, Water Resource Management, to the Texas Commission on Environmental Quality (TCEQ) for the two-year period beginning on the effective date of this Act for the purpose of paying for Elephant Butte litigation expenses.

SECTION 18. PARKS AND WILDLIFE DEPARTMENT: REVENUE SHORTFALL. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$889,000 is appropriated out of the general revenue fund to the Texas Parks and Wildlife Department (TPWD) for the two-year period beginning on the effective date of this Act for the purpose of providing for state park operations as a result of a revenue shortfall.

SECTION 19. LIBRARY AND ARCHIVES COMMISSION: DIRECTOR-LIBRARIAN SALARY. (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$35,500 is appropriated out of the general revenue fund to the Texas State Library and Archives Commission (TSLAC) for the fiscal year ending August 31, 2013, for the purpose of providing a salary rate increase for the Director-Librarian.

(b) Provides that, notwithstanding the rate of salary in the bill pattern of TSLAC in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, the rate of salary for the Director-Librarian is \$140,000 for the state fiscal year ending August 31, 2013.

SECTION 20. TEXAS A&M FOREST SERVICE: APPROPRIATIONS FOR GENERAL COSTS CAUSED BY WILDFIRES. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$161,065,711 is appropriated out of the general revenue fund to the Texas A&M Forest Service for the state fiscal year ending August 31, 2013, for the purpose of paying for, or reimbursing payments made for, costs incurred by the Texas A&M Forest Service associated with wildfires.

SECTION 21. DEPARTMENT OF PUBLIC SAFETY: APPROPRIATIONS FOR GENERAL COSTS CAUSED BY WILDFIRES. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$2,700,000 is appropriated out of general revenue fund to the Texas Department of Public Safety (DPS) for the state fiscal year ending August 31, 2013, for the purpose of paying for, or reimbursing payments made for, costs incurred by DPS associated with wildfires.

SECTION 22. PARKS AND WILDLIFE DEPARTMENT: APPROPRIATIONS FOR COSTS CAUSED BY WILDFIRES AT THE BASTROP STATE PARK AND BASTROP REGIONAL PARK OFFICE. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$4,892,440 is appropriated out of the general revenue fund to TPWD for the two-year period beginning on the effective date of this Act for the purpose of paying for, or reimbursing payments made for, costs incurred by TPWD associated with wildfires that occurred at the Bastrop State Park and Bastrop regional park office.

SECTION 23. RAILROAD COMMISSION: INFORMATION TECHNOLOGY MODERNIZATION. (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$16,711,989 is appropriated out of general revenue dedicated account number 5155, Oil and Gas Regulation and Cleanup Account, to the Railroad Commission of Texas (railroad commission) for the two-year period beginning on the effective date of this Act for the purpose of modernization of information technology.

(b) Authorizes the railroad commission, in addition to the number of full-time equivalent employees (FTEs) the railroad commission is authorized by other law to employ during the two-year period beginning on the effective date of this Act, to employ an additional 11.0 FTEs in each of those years.

SECTION 24. DEPARTMENT OF STATE HEALTH SERVICES: DISPROPORTIONATE SHARE HOSPITAL PROGRAM. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$100,000,000 is appropriated out of general revenue dedicated account number 5111, Trauma Facility and EMS Account, to the Department of State Health Services (DSHS) for the state fiscal year ending August 31, 2013, for the purpose of entering into an interagency contract to transfer money from that account from DSHS to the Texas Health and Human Services Commission (HHSC) to provide for the non-federal share for the Medicaid disproportionate share hospital program.

SECTION 25. TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR: DISASTER RECOVERY. (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the following amounts are appropriated out of the general revenue fund to the Trusted Programs within the Office of the Governor (governor's office) for the two-year period beginning on the effective date of this Act for purposes of wildfire

recovery, remediation, and mitigation activities related to wildfires in Bastrop and Cass Counties:

(1) \$4,398,000 to address the needed repair and rehabilitation of roads, bridges, culverts, and parks, and to complete hazardous debris removal and fire risk-mitigation activities in Bastrop County; and

(2) an amount not to exceed \$1,000,000 for reimbursements to local responders in Cass County for work performed during the Bear Creek wildfires.

(b) Requires that money appropriated by this section be allocated to specific projects to maximize the receipt of federal money available for similar purposes. Prohibits money appropriated by this section from being spent on activities conducted on private property.

SECTION 26. APPROPRIATIONS TO INSTITUTIONS OF HIGHER EDUCATION: HAZLEWOOD EXEMPTION. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, to the listed institutions of higher education, the following amounts are appropriated out of the general revenue fund for the two-year period beginning on the effective date of this Act for the purpose of funding the proportionate share of the total cost to each institution for the Hazlewood exemption, for a total aggregate amount of \$30,000,000:

- (1) The University of Texas at Arlington: \$1,406,701;
- (2) The University of Texas at Austin: \$1,736,342;
- (3) The University of Texas at Dallas: \$702,122;
- (4) The University of Texas at El Paso: \$696,939;
- (5) The University of Texas--Pan American: \$419,271;
- (6) The University of Texas at Brownsville: \$153,017;
- (7) The University of Texas of the Permian Basin: \$66,965;
- (8) The University of Texas at San Antonio: \$1,919,554;
- (9) The University of Texas at Tyler: \$300,676;
- (10) Texas A&M University: \$2,435,829;
- (11) Texas A&M University at Galveston: \$140,041;
- (12) Prairie View A&M University: \$361,931;
- (13) Tarleton State University: \$403,137;
- (14) Texas A&M University--Central Texas: \$139,830;
- (15) Texas A&M University--Corpus Christi: \$694,591;
- (16) Texas A&M University--Kingsville: \$326,371;
- (17) Texas A&M University--San Antonio: \$170,885;
- (18) Texas A&M International University: \$112,013;
- (19) West Texas A&M University: \$279,756;

- (20) Texas A&M University--Commerce: \$500,167;
- (21) Texas A&M University--Texarkana: \$31,056;
- (22) University of Houston: \$1,267,175;
- (23) University of Houston--Clear Lake: \$247,905;
- (24) University of Houston--Downtown: \$205,693;
- (25) University of Houston--Victoria: \$114,415;
- (26) Midwestern State University: \$266,493;
- (27) University of North Texas: \$1,450,907;
- (28) University of North Texas at Dallas: \$41,972;
- (29) Stephen F. Austin State University: \$507,780;
- (30) Texas Southern University: \$302,845;
- (31) Texas Tech University: \$1,902,362;
- (32) Angelo State University: \$333,676;
- (33) Texas Woman's University: \$315,905;
- (34) Lamar University: \$617,129;
- (35) Lamar Institute of Technology: \$58,752;
- (36) Lamar State College--Orange: \$23,384;
- (37) Lamar State College--Port Arthur: \$24,590;
- (38) Sam Houston State University: \$956,335;
- (39) Texas State University--San Marcos: \$2,513,969;
- (40) Sul Ross State University: \$60,784;
- (41) The University of Texas Southwestern Medical Center at Dallas: \$30,812;
- (42) The University of Texas Medical Branch at Galveston: \$86,039;
- (43) The University of Texas Health Science Center at Houston: \$29,079;
- (44) The University of Texas Health Science Center at San Antonio: \$177,640;
- (45) The University of Texas M. D. Anderson Cancer Center: \$2,784;
- (46) Texas A&M University System Health Science Center: \$112,525;
- (47) University of North Texas Health Science Center at Fort Worth: \$51,072;
- (48) Texas Tech University Health Sciences Center: \$201,985;
- (49) Texas State Technical College--Harlingen: \$100,011;

- (50) Texas State Technical College--West Texas: \$15,969;
- (51) Texas State Technical College--Marshall: \$16,746;
- (52) Texas State Technical College--Waco: \$121,812;
- (53) Alamo Community College District: \$335,530;
- (54) Alvin Community College: \$40,839;
- (55) Amarillo College: \$129,144;
- (56) Angelina College: \$17,865;
- (57) Austin Community College: \$621,188;
- (58) Blinn College: \$158,713;
- (59) Brazosport College: \$26,463;
- (60) Central Texas College: \$80,575;
- (61) Cisco Junior College: \$34,473;
- (62) Clarendon College: \$8,088;
- (63) Coastal Bend College: \$32,958;
- (64) College of the Mainland Community College District: \$21,115;
- (65) Collin County Community College District: \$43,143;
- (66) Dallas County Community College District: \$106,489;
- (67) Del Mar College: \$239,923;
- (68) El Paso Community College District: \$340,197;
- (69) Frank Phillips College: \$4,153;
- (70) Galveston College: \$9,593;
- (71) Grayson County College: \$28,976;
- (72) Hill College: \$26,577;
- (73) Houston Community College: \$235,719;
- (74) Howard College: \$24,419;
- (75) Kilgore College: \$60,438;
- (76) Laredo Community College: \$60,203;
- (77) Lee College: \$31,006;
- (78) Lone Star College System District: \$243,510;
- (79) McLennan Community College: \$92,399;

- (80) Midland College: \$32,895;
- (81) Navarro College: \$401,058;
- (82) North Central Texas College: \$41,066;
- (83) Northeast Texas Community College: \$23,887;
- (84) Odessa College: \$19,382;
- (85) Panola College: \$13,630;
- (86) Paris Junior College: \$27,678;
- (87) Ranger College: \$12,154;
- (88) San Jacinto College: \$120,361;
- (89) South Plains College: \$122,024;
- (90) South Texas College: \$115,340;
- (91) Southwest Texas Junior College: \$23,068;
- (92) Tarrant County College District: \$117,020;
- (93) Temple College: \$128,794;
- (94) Texarkana College: \$16,682;
- (95) Texas Southmost College: \$179,695;
- (96) Trinity Valley Community College: \$50,349;
- (97) Tyler Junior College: \$128,796;
- (98) Vernon College: \$46,291;
- (99) Victoria College: \$66,232;
- (100) Weatherford College: \$30,136;
- (101) Western Texas College: \$18,174; and
- (102) Wharton County Junior College: \$55,853.

SECTION 27. HEALTH AND HUMAN SERVICES COMMISSION: REIMBURSEMENT OF AMBULANCE SERVICE PROVIDERS UNDER MEDICAID PROGRAM. Requires HHSC, out of the unencumbered appropriations from the general revenue fund to HHSC for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Goal A, HHS Enterprise Oversight and Policy, to use the amount necessary, but is prohibited from exceeding \$8,904,983, to pay Medicaid program claims for Medicare deductibles and coinsurance for ambulance services provided to individuals who are dually eligible under both the Medicare and Medicaid programs as required under Section 32.050(c) (relating to requiring the medical assistance program to pay the Medicare deductibles and coinsurance for an ambulance service provided to an individual who is eligible under the medical assistance program and Medicare), Human Resources Code.

SECTION 28. BENEFITS PAID PROPORTIONAL BY FUND. (a) Provides that this section applies to each item of appropriation made by this Act.

(b) Requires that payment for benefits paid from funds appropriated by this Act, including "local funds" and "educational and general funds," as those terms are defined by Sections 51.009(a) (defining "local funds" and requiring that these funds be accounted for as "educational and general funds" in a manner recommended by certain entities) and (c), Education Code, be proportional to the source of the funds except for payments for higher education employees group insurance contributions for public community or junior colleges, in order to maximize balances in the general revenue fund.

(c) Prohibits money appropriated by this Act out of the general revenue fund from being used to pay employee benefit costs or other indirect costs associated with the payment of salaries or wages of employees if the salaries or wages are paid from a source other than the general revenue fund. Authorizes a public community or junior college to spend money appropriated by this Act for employee benefit costs for any employee who is eligible to participate in an offered group benefits program and is an instructional or administrative employee whose entire salary is authorized to be paid from money appropriated by this Act, regardless of whether the salary is actually paid by that money. Requires that payments for employee benefit costs associated with salaries and wages paid from sources other than the general revenue fund, including payments received under interagency agreement or as contract receipts, be made in proportion to the source of the funds from which the salary or wage is paid. Requires that the general revenue fund, if the comptroller of public accounts of the State of Texas (comptroller) determines that achieving proportionality as required by this section at the time a payment is made is impractical or inefficient, be reimbursed for any payment of employee benefit costs made out of the general revenue fund.

(d) Requires a state agency or institution of higher education that receives an appropriation by this Act from the general revenue fund or any other source of financing to file with the comptroller and the state auditor a report demonstrating proportionality. Provides that the report is due on November 20th of each year and is required to cover the state fiscal year ending on August 31st of the year in which the report is due. Requires that the report be in the format prescribed by the comptroller, LBB, and the Office of the State Auditor (SAO). Authorizes SAO to audit a state agency's or institution's compliance with this section if the agency or institution is appropriated money by this Act. Requires SAO to notify the comptroller of any amount disproportionately paid from general revenue fund appropriations. Requires the comptroller, on receipt of that notice, to reduce the state agency's or institution's current year general revenue fund appropriations until the general revenue fund is reimbursed for the amounts disproportionately paid out of that fund.

SECTION 29. EFFECTIVE DATE. Effective date: upon passage.