

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 18, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1025 by Pitts (relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1025, Committee Report 2nd House, Substituted: a negative impact of (\$148,531,665) through the biennium ending August 31, 2015.

Appropriations:

Fiscal Year	Appropriation out of <i>General Revenue Fund</i> 1	Appropriation out of <i>Clean Air Account</i> 151	Appropriation out of <i>Water Resource Management</i> 153	Appropriation out of <i>Trauma Facility And Ems</i> 5111
2013	\$148,531,665	(\$12,500)	\$500,000	\$100,000,000
2014	\$0	\$0	\$0	\$0

Fiscal Year	Appropriation out of <i>Oil & Gas Regulation</i> 5155
2013	\$16,711,989
2014	\$0

General Revenue-Related Funds, Six-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2013	(\$148,531,665)
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Six-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from Clean Air Account 151	Probable Savings/(Cost) from Water Resource Management 153	Probable Savings/(Cost) from Trauma Facility And Ems 5111
2013	(\$148,531,665)	\$12,500	(\$500,000)	(\$100,000,000)
2014	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0
2018	\$0	\$0	\$0	\$0

Fiscal Year	Probable Savings/(Cost) from Oil & Gas Regulation 5155	Change in Number of State Employees from FY 2012
2013	(\$16,711,989)	27.0
2014	\$0	11.0
2015	\$0	11.0
2016	\$0	0.0
2017	\$0	0.0
2018	\$0	0.0

Fiscal Analysis

The bill would make supplemental appropriation increases and reductions for various state agencies.

The bill would make the following fiscal year 2013 appropriation reductions in the sum of \$101.4 million from General Revenue Fund 001 and \$12,500 from General Revenue-dedicated accounts.

The following appropriation reductions would be made out of General Revenue Fund 001:
 \$22,601,012 from the Texas Public Finance Authority;
 \$53,000,000 from the Texas Department of Transportation;
 \$7,698,821 from the Water Development Board;
 \$11,489,949 from the Department of Family and Protective Services;
 \$2,330,351 from the Health and Human Services Commission;
 \$1,400,437 from the Higher Education Employees Group Insurance for UT Medical - Galveston;
 \$2,000,000 from the University of Texas at Austin; and
 \$890,622 from the University of Texas at Dallas.

The following appropriation reductions would be made out of General Revenue-dedicated accounts:
 \$12,500 out of GR Account - 151, Clean Air, from the Texas A&M AgriLife Research.

The bill would make the following appropriation increases beginning in fiscal year 2013 out of General Revenue funds in the sum of \$249.9 million and \$117.2 million out of General Revenue dedicated accounts.

The following appropriation increases would be made out of General Revenue Fund 001:
 \$1,400,000 to the Facilities Commission for payment of increased utility costs;

\$1,546,003 to the Veterans Commission 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, including 16 additional full-time equivalent employees;
\$500,000 to the Veterans Commission for the purpose of repaying a deficiency grant;
\$200,000 to the University of Houston - Clear Lake for the purpose of current operations;
\$1,678,703 to the Texas A&M Engineering Extension Service for the purpose of reimbursing the agency for state-directed deployments for natural disasters;
\$162,500 to Texas A&M AgriLife Research for the purpose of current operations;
\$475,000 to the Judiciary Section, Comptroller's Department to cover costs of providing legal representation for an inmate in a capital murder trial;
\$39,000,000 to the Department of Criminal Justice for the purpose of providing for correctional managed health care;
\$889,000 to the Parks and Wildlife Department for the purpose of providing for state park operations;
\$35,500 to the Library and Archives Commission for the purpose of providing a salary rate increase for the Director-Librarian;
\$161,065,711 to Texas A&M Forest Service for costs associated with wildfires;
\$2,700,000 to Department of Public Safety for costs associated with wildfires;
\$4,892,440 to Parks and Wildlife Department for costs associated with wildfires;
\$5,398,000 to Trusteed Programs within the Office of the Governor, consisting of \$4,398,000 for Bastrop County and \$1,000,000 for Cass County; and
\$30,000,000 to certain institutions of higher education for funding proportionate share for Hazelwood exemption.

The following appropriation increases would be made out of General Revenue-dedicated accounts:

\$500,000 from GR Dedicated Account - 153, Water Resource Management, to the Commission on Environmental Quality for the purpose of paying for Elephant Butte litigation expenses.

\$16,711,989 from GR Dedicated Account - 5155, Oil and Gas Regulation and Cleanup, to the Railroad Commission for the purpose of information technology modernization, including 11 additional full-time equivalent employees; and

\$100,000,000 from GR Dedicated Account - 5111, Trauma Facility and EMS Account, to the Department of State Health Services for the purpose of entering into an interagency contract to transfer money from that department to the Health and Human Services Commission to provide for the non-federal share for the Medicaid disproportionate share hospital 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

Appropriations for Bastrop and Cass Counties will assist the counties with costs incurred by wildfires and help them better maximize federal money available to mitigate costs associated with wildfires.

The appropriation of \$100 million in Trauma Facility and EMS general revenue dedicated funds to the Department of State Health Services for the purpose of entering into an interagency contract with the Health and Human Services Commission (HHSC) to provide the non-federal share of the Medicaid disproportionate share hospital (DSH) program will have a positive All Funds fiscal impact of \$245,158,127 in fiscal year 2013 to hospitals participating in the Texas DSH program. The DSH program is a joint state-federal program reimbursed by the federal government at a state's Federal Medical Assistance Percentage (FMAP). The fiscal year 2013 Texas FMAP is 59.21%, meaning that the appropriation of \$100 million in non-federal funds will draw down an additional \$145,158,127 federal funds, for an All Funds impact of \$245,158,127. Although the DSH program is administered by HHSC, it is not reflected in the General Appropriations Act.

Source Agencies: 304 Comptroller of Public Accounts

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