

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 18, 2015

TO: Honorable John Otto, Chair, House Committee on Appropriations
FROM: Ursula Parks, Director, Legislative Budget Board
IN RE: HB2 by Otto (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 negative impact of (\$228,370,378) through the biennium ending August 31, 2017.

Appropriations:

Fiscal Year	Appropriation out of <i>General Revenue Fund</i>	Appropriation out of <i>Federal Funds</i>
2015	\$228,370,378	\$177,910,360
2016	\$0	\$0
2017	\$0	\$0

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2015	(\$228,370,378)
2016	\$0
2017	\$0
2018	\$0
2019	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i>	Probable Savings/(Cost) from <i>Federal Funds</i>
2015	(\$228,370,378)	(\$177,910,360)
2016	\$0	\$0
2017	\$0	\$0
2018	\$0	\$0
2019	\$0	\$0

Fiscal Analysis

The bill would make supplemental appropriation decreases and increases for various state agencies, provide transfers between agencies, restrict the use of appropriations, and change the purpose of appropriations.

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Net General Revenue-related appropriations total an increase of \$228,370,378 in fiscal year 2015.

FY 2015

General Revenue-related Appropriation Reductions:

Texas Public Finance Authority - Bond Debt Service Payments	\$ (21,000,000)
Texas Education Agency - Foundation School Program, Account No. 193	\$ (710,000,000)
Texas Department of Transportation - Debt Service Savings relating to Proposition 12 Bonds	\$ (22,100,000)

General Revenue-related Appropriation Increases:

Family and Protective Services - Foster Care	\$ 17,729,316
Family and Protective Services - Title IV -E	\$ 800,000
Health and Human Services Commission - Medicaid	\$ 60,138,677
Health and Human Services Commission - Medicaid - Health Insurance provider Fee and Federal Income Tax	\$ 79,685,024
Health and Human Services - CHIP Health Insurance Provider Fee and Federal Income Tax	\$ 4,516,607
Teacher Retirement System - TRS Care	\$ 768,100,754
Department of Criminal Justice - Correctional Managed Health Care (CMHC)	\$ 50,500,000

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Net Federal Funds appropriations total an increase of \$177,910,360 for fiscal year 2015 as follows:

FY 2015

Federal Funds Appropriation Reductions:

Health and Human Services - TANF Surplus in Cash Assistance Grants	\$ (35,083,683)
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Federal Funds Appropriation Increases:

Family and Protective Services - Title IV -E	\$ 800,000
Health and Human Services Commission - Medicaid	\$ 83,219,313
Health and Human Services Commission - Medicaid - Health Insurance provider Fee and Federal Income Tax	\$ 113,570,204
Health and Human Services - CHIP Health Insurance Provider Fee and Federal Income Tax	\$ 15,404,526

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Appropriations Authority Changes

Transfers within the Health and Human Services Commission (HHSC) to address the Medicaid shortfall:

\$ 15,304,489	in General Revenue from the Children's Health Insurance Program (CHIP)
\$ 101,900,000	in General Revenue from Integrated Eligibility and Enrollment for Medicaid
\$ 2,700,000	in General Revenue from the Office of the Inspector General
\$ 4,500,000	in General Revenue from the Texas Women's Health Program

\$ 43,303 in General Revenue from TANF Cash Assistance
Transfers from the Department of Aging and Disability to HHSC to address the Medicaid shortfall:

\$ 98,762,408 in General Revenue from Habilitation Services
\$ 43,527,524 in General Revenue from Long-term Care Services and Supports

Transfers from State Health Services to HHSC to address the Medicaid shortfall:

\$ 5,900,000 in General Revenue from Community Primary Care Services
\$ 5,600,000 in General Revenue from Mental Health Services - Adults

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The bill would be effective immediately upon passage.

Methodology

The amounts identified above represent changes to previously authorized amounts and purposes for the state fiscal year biennium ending August 31, 2015.

Technology

The bill would provide funding for the Title IV-E waiver pilot in Harris County (\$0.8 million) and \$6.4 million for the E-Filing System at the Office of Court Administration.

Local Government Impact

No fiscal implication to units of local government is anticipated. The reduction in Foundation School Program (FSP) appropriations in fiscal year 2015 will have no local fiscal impact. School districts and charter schools generate FSP entitlement independent of the appropriations process; FSP appropriations are estimates of the amount necessary to fund entitlement in the coming biennium. 2014-15 appropriations are now estimated to be \$710 million in General Revenue Funds more than the amount necessary to fund 2014-15 entitlement, primarily due to larger than projected settle-up savings and updated budget drivers, including district property values and student counts.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, MS, SD, LO