

By: Ogden
(Pitts)

S.B. No. 2

Substitute the following for S.B. No. 2:

By: Pitts

C.S.S.B. No. 2

A BILL TO BE ENTITLED

1 AN ACT
2 appropriating money for the support of state government for the
3 period beginning September 1, 2011 and ending August 31, 2013; and
4 authorizing and prescribing conditions, limitations, rules, and
5 procedures for allocating and expending the appropriated funds; and
6 declaring an emergency.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

8 SECTION 1. The several sums of money herein specified, or so
9 much thereby as may be necessary, are appropriated out of any funds
10 in the State Treasury not otherwise appropriated, or out of special
11 funds as indicated, for the support, maintenance, or improvement of
12 the designated agencies.

13 SECTION 2. LECOS Retirement Fund. In addition to amounts
14 appropriated in House Bill 1, Acts of the 82nd Legislature, Regular
15 Session, 2011 in Strategy A.1.2, Law Enforcement and Custodial
16 Officer Supplemental Retirement Fund, the Employees Retirement
17 System is hereby appropriated the following estimated amounts in
18 fiscal year 2013 for a state contribution of 0.5 percent to the Law
19 Enforcement and Custodial Officer Supplemental Retirement Program
20 in fiscal year 2013:

21	General Revenue	\$6,698,395
22	General Revenue-Dedicated	96,261
23	Federal Funds	29,330
24	Fund 006	696,386

1 All Funds \$7,520,372

2 SECTION 3. Contingency for Senate Bill 1: Debt Service on
 3 Cancer Prevention and Research Bonds. The appropriations made in
 4 House Bill 1, Acts of the 82nd Legislature, Regular Session, 2011 to
 5 the Texas Public Finance Authority for General Obligation Bond Debt
 6 Service are subject to the following provision. Appropriations out
 7 of the Permanent Fund for Health & Tobacco Education & Enforcement
 8 Account No. 5044; Permanent Fund for Children & Public Health
 9 Account No. 5045; and Permanent Fund for EMS & Trauma Care Account
 10 No. 5046, are contingent on the enactment of Senate Bill 1, 82nd
 11 Legislature, First Called Session, 2011, or similar legislation
 12 related to the use of certain Tobacco Settlement Funds for debt
 13 service on Cancer Prevention and Research Institute debt, by the
 14 Eighty-second Legislature, 2011. The Legislative Budget Board
 15 shall adjust the informational listing of bond debt service
 16 pursuant to this provision.

17 SECTION 4. Appropriations to the Foundation School Program.

18 (a) Texas Education Agency, Article III, House Bill 1, Acts of the
 19 82nd Legislature, Regular Session, 2011 (the General
 20 Appropriations Act), is amended by adding the following
 21 appropriations and riders, and to the extent necessary, by giving
 22 all riders under the bill pattern of the agency full force and
 23 effect:

24	A.1.1., FSP Equalized		
25	Operations	2012	2013
26	Available School Fund	\$1,099,948,815	\$1,726,989,252
27	Foundation School Fund	13,412,514,119	12,656,939,681

1	Property Tax Relief Fund	2,198,994,000	2,338,574,000
2	Appropriated Receipts	906,500,000	835,600,000
3	Lottery Proceeds	<u>1,002,457,000</u>	<u>1,006,111,000</u>
4	Total, A.1.1	\$18,620,413,934	\$18,564,213,933
5	A.1.2, FSP Equalized		
6	Facilities		
7	Foundation School Fund	\$650,000,000	\$716,100,000

8 (b) Foundation School Program Funding. Out of the funds
9 appropriated above, a total of \$19,287,500,000 in fiscal year 2012
10 and \$19,297,400,000 in fiscal year 2013 shall represent the
11 sum-certain appropriation to the Foundation School Program. The
12 total appropriation may not exceed the sum-certain amount. This
13 appropriation includes allocations under Chapters 41, 42 and 46 of
14 the Texas Education Code.

15 Formula Funding: The Commissioner shall make allocations to
16 local school districts under Chapters 41, 42 and 46 based on the
17 March 2011 estimates of average daily attendance and local district
18 tax rates as determined by the Legislative Budget Board and the
19 final tax year 2010 property values.

20 For purposes of distributing the Foundation School Program
21 basic tier state aid appropriated above and in accordance with
22 Section 42.101 of the Texas Education Code, the Basic Allotment is
23 projected to be \$4,765 in fiscal year 2012 and \$4,765 in fiscal year
24 2013.

25 For purposes of distributing the Foundation School Program
26 enrichment tier state aid appropriated above and in accordance with
27 Section 41.002(a)(2) and Section 42.302(a-1)(1) of the Texas

1 Education Code, the Guaranteed Yield is \$59.97 in fiscal year 2012
2 and \$59.97 in fiscal year 2013.

3 Out of amounts appropriated above and allocated by this rider
4 to the Foundation School Program, no funds are appropriated for the
5 New Instructional Facilities Allotment under Section 42.158 of the
6 Texas Education Code.

7 Notwithstanding any other provision of this Act, the Texas
8 Education Agency may make transfers as appropriate between Strategy
9 A.1.1, FSP-Equalized Operations, and Strategy A.1.2, FSP Equalized
10 Facilities. The TEA shall notify the Legislative Budget Board and
11 the Governor of any such transfers at least 45 days prior to the
12 transfer.

13 The Texas Education Agency shall submit reports on the prior
14 month's expenditures on programs described by this rider no later
15 than the 20th day of each month to the Legislative Budget Board and
16 the Governor's Office in a format determined by the Legislative
17 Budget Board in cooperation with the agency.

18 (c) Foundation School Program Adjustments. Appropriations
19 from the Foundation School Fund No. 193 identified in subsection
20 (a) above are hereby reduced by \$438,900,000 in fiscal year 2012 and
21 \$361,100,000 in fiscal year 2013. These adjustments reflect a
22 lower estimate of the state cost of the Foundation School Program in
23 the 2012-13 biennium due to updated pupil projections and
24 projections of district property values.

25 Property values, and the estimates of local tax collections
26 on which they are based, shall be decreased by 0.97 percent for tax
27 year 2011, then increased by 0.52 percent for tax year 2012.

1 The sum-certain appropriation for the Foundation School
2 Program as identified in subsection (b) above shall be decreased
3 commensurately to reflect these adjustments.

4 (d) Contingency for Senate Bill 1: Foundation School
5 Program Deferral. Contingent on enactment of SB 1, 82nd
6 Legislature, First Called Session, 2011, or similar legislation
7 providing the legal basis for deferring the August 2013 Foundation
8 School Program payment to school districts, appropriations made in
9 subsection (a) above from the Foundation School Fund 193 to the
10 Texas Education Agency for the Foundation School Program are hereby
11 reduced by \$2,300,000,000 in fiscal year 2013. It is the intent of
12 the legislature that this payment be made in September 2013
13 pursuant to the provisions of the bill. The sum-certain
14 appropriation for the Foundation School Program as identified
15 subsection (b) above shall be decreased commensurately.

16 (e) Contingency for HJR 109. Appropriations from the
17 Foundation School Fund (Fund 193) made in subsection (a) above,
18 Texas Education Agency Strategy A.1.1, FSP - Operations, for the
19 Foundation School Program, are hereby reduced by 150,000,000 in
20 each fiscal year of the 2012-13 biennium. The Texas Education
21 Agency is hereby appropriated from the Available School Fund
22 (General Revenue) to the Foundation School Program in Strategy
23 A.1.1, FSP - Operations an amount estimated to be \$150,000,000 in
24 each fiscal year of the 2012-13 biennium, pursuant to all of the
25 following:

26 a. passage and enactment of HJR 109, 82nd Legislature,
27 Regular Session, 2011, or similar legislation relating

1 to proposing a constitutional amendment to clarify
2 references to the Permanent School Fund and to allow the
3 General Land Office or other entity to distribute
4 revenue derived from Permanent School Fund land or other
5 properties to the Available School Fund;

6 b. voter approval of the associated constitutional
7 amendment; and

8 c. the distribution of funds from the General Land Office to
9 the Available School Fund pursuant to the provisions of
10 the legislation.

11 (f) Contingency for Senate Bill 1: Foundation School
12 Program Funding Contingency. The All Funds appropriations made for
13 the Foundation School Program (FSP), Texas Education Agency
14 Strategies A.1.1 and A.1.2, in subsection (a) above, and as
15 adjusted by other subsections in this section, are contingent on
16 enactment of SB 1, 82nd Legislature, First Called Session, 2011, or
17 similar legislation by the Eighty-second Legislature, 2011,
18 relating to certain state fiscal matters and that amends Chapter 42
19 of the Texas Education Code to adjust state aid payments to the
20 level of FSP appropriations made in subsection (a) above as
21 adjusted for other subsections in this section. Should this
22 legislation fail to pass and be enacted, the All Funds
23 appropriations for the FSP made herein are hereby reduced to zero
24 for each year of the 2012-13 biennium, including the sum-certain
25 appropriation identified in subsection (b) above.

26 (g) The Legislative Budget Board is directed to make all
27 necessary adjustments to the Texas Education Agency's bill pattern

1 pursuant to the provisions above, including adjustments to
2 strategies, methods of finance, measures and riders contained in
3 House Bill 1, 82nd Legislature, Regular Session, 2011.

4 SECTION 5. Contingency for Senate Bill 1: Legislation
5 Relating to Certain Office of Court Administration License Fees.
6 Contingent upon the enactment of SB 1, 82nd Legislature, First
7 Called Session, 2011, relating to license fees and the allowable
8 use of such fees for process servers, guardians, and court
9 reporters by the Eighty-second Legislature, the Office of Court
10 Administration is appropriated \$119,603 in fiscal year 2012 and
11 \$119,714 in fiscal year 2013 to implement the provisions of the
12 legislation. The number of "Full-Time-Equivalent Positions"
13 indicated in the agency's bill pattern is increased by 2.0 each
14 fiscal year. Fees, fines and other miscellaneous revenues as
15 authorized by the Process Servers Review Board, the Guardianship
16 Certification Board, and the Court Reporters Certification Board
17 shall cover, at a minimum, the cost of appropriations made in this
18 provision, as well as an amount sufficient to cover "Other Direct
19 and Indirect Costs Appropriated Elsewhere in this Act" (estimated
20 to be \$27,783 in fiscal year 2012 and \$29,175 in fiscal year 2013).
21 In the event that actual and/or projected revenues are insufficient
22 to offset the costs identified by this provision, the Legislative
23 Budget Board may direct that the Comptroller of Public Accounts to
24 reduce the appropriation authority provided above to be within the
25 amount of revenue expected to be available.

26 SECTION 6. Contingency for Senate Bill 1: Railroad
27 Commission. Contingent on enactment of SB 1, or similar legislation

1 relating to the Railroad Commission by the Eighty-second
 2 Legislature:

3 a. Oil and Gas Related Fees. In addition to amounts
 4 appropriated in House Bill 1, Acts of the 82nd
 5 Legislature, Regular Session, 2011 to the Railroad
 6 Commission, and contingent on SB 1, 82nd Legislature,
 7 First Called Session, 2011, or similar legislation
 8 creating an account to cover costs of the agency's oil-
 9 and gas-related activities, by the Eighty-second
 10 Legislature, appropriations out of the General Revenue
 11 Fund are hereby reduced by \$16,766,209 in fiscal year
 12 2012 and by \$16,716,472 in fiscal year 2013, and, to
 13 replace these appropriations, there is hereby
 14 appropriated \$16,766,209 in fiscal year 2012 and
 15 \$16,716,472 in fiscal year 2013 out of the Oil and Gas
 16 Regulation and Cleanup (OGRC) Fund created by the bill.

17 The following amounts of General Revenue funding would be
 18 replaced with funding out of the OGRC Fund in the following
 19 strategies:

	2012	2013
21 Strategy A.1.1, Energy	\$4,099,221	\$4,070,349
22 Resource Development		
23 Strategy C.1.1, Oil and Gas	\$10,314,041	\$10,350,753
24 Monitoring and Inspections		
25 Strategy C.2.1, Oil and Gas	\$496,396	\$461,550
26 Remediation		

1	Strategy C.2.2, Oil and Gas	\$935,444	\$919,808
2	Well Plugging		
3	Strategy D.1.2, Public	<u>\$921,107</u>	<u>\$914,012</u>
4	Information and Services		
5	TOTAL	\$16,766,209	\$16,716,472

6 In addition, appropriations out of the Oil Field Cleanup
7 Account No. 145 are hereby reduced by \$20,581,780 in fiscal year
8 2012 and by \$20,581,779 in fiscal year 2013, and, to replace these
9 appropriations, there is hereby appropriated \$20,581,780 in fiscal
10 year 2012 and \$20,581,779 in fiscal year 2013 out of the OGRC Fund
11 created by the bill. The following amounts out of the General
12 Revenue-Dedicated Oil Field Cleanup Account No. 145 would be
13 replaced with funding out of the OGRC Fund in the following
14 strategies:

15		2012	2013
16	Strategy A.1.1, Energy	\$1,114,744	\$1,114,744
17	Resource Development		
18	Strategy C.1.1, Oil and Gas	\$851,800	\$851,800
19	Monitoring and Inspections		
20	Strategy C.2.1, Oil and Gas	\$3,786,565	\$3,786,565
21	Remediation		
22	Strategy C.2.2, Oil and Gas	\$14,690,620	\$14,690,620
23	Well Plugging		
24	Strategy D.1.2, Public	<u>\$138,051</u>	<u>\$138,050</u>
25	Information and Services		
26	TOTAL	\$20,581,780	\$20,581,779

27 (b) Expansion of Pipeline Safety Fee Use to Include Gas

1 Utility Regulation. Contingent upon enactment of SB 1, 82nd
2 Legislature, First Called Session, 2011, or similar legislation
3 allowing for the use of pipeline safety fees for gas utility
4 regulatory functions, by the Eighty-second Legislature, the
5 Railroad Commission is hereby appropriated in each fiscal year of
6 the 2012-13 biennium an amount not to exceed \$233,000 in Strategy
7 A.2.1, Gas Utility Compliance. This appropriation is contingent
8 upon the Railroad Commission increasing Pipeline Safety Fees and
9 shall be limited to revenues deposited to the credit of Revenue
10 Object Code 3553 in excess of the Comptroller's Biennial Revenue
11 Estimate for 2012-13.

12 The Railroad Commission, upon completion of necessary
13 actions to assess or increase the Pipeline Safety Fee, shall
14 furnish copies of the minutes and other information supporting the
15 estimated revenues to be generated for the 2012-13 biennium under
16 the revised fee structure to the Comptroller of Public Accounts. If
17 the Comptroller finds the information sufficient to support the
18 projection of increased revenues in excess of those estimated in
19 the Biennial Revenue Estimate for 2012-13, a finding of fact to that
20 effect shall be issued and the contingent appropriation shall be
21 made available for the intended purpose.

22 SECTION 7. Contingency for Senate Bill 1: Voter
23 Registration. Contingent on enactment of SB 1, 82nd Legislature,
24 First Called Session, 2011, or similar legislation relating to
25 transferring voter registration payments from the Fiscal Programs -
26 Comptroller of Public Accounts to the Secretary of State, by the
27 Eighty-second Legislature, 2011, amounts appropriated elsewhere in

1 HB 1, 82nd Legislature, Regular Session, 2011, to the Fiscal
2 Programs Comptroller of Public Accounts in Strategy A.1.1, Voter
3 Registration, shall be transferred to the Secretary of State.

4 SECTION 8. Contingency for House Bill 7: Managed Care
5 Expansion. Contingent on the enactment of House Bill 7 or similar
6 legislation by the 82nd Legislature, First Called Session, 2011
7 authorizing the use of managed care in the South Texas counties of
8 Cameron, Hidalgo and Maverick, the following actions shall take
9 place:

10 a. The Health and Human Services Commission (HHSC) is
11 appropriated \$57,370,186 in General Revenue Funds and
12 \$87,670,192 in Federal Funds in fiscal year 2012 and
13 \$121,680,697 in General Revenue and \$185,809,691 in
14 Federal Funds in fiscal year 2013 for Goal B, Medicaid (a
15 biennial total of \$179,050,883 in General Revenue Funds
16 and \$273,479,883 in Federal Funds); and

17 b. General Revenue appropriations to HHSC are increased by
18 \$143,139,236 in fiscal year 2012 and \$297,625,734 in
19 fiscal year 2013 and General Revenue appropriations to
20 the Department of Aging and Disability Services (DADS)
21 are reduced by \$143,139,236 in fiscal year 2012 and
22 \$297,625,734 in fiscal year 2013; therefore,
23 appropriations at HHSC and DADS for the expansion of the
24 managed care model for the provision of services is
25 assumed to be identical to the strategy funding levels of
26 both agencies in House Bill 1, 82nd Regular Session.

27 The Commission shall provide a report detailing the cost

1 savings in General Revenue Funds and All Funds realized by the
2 expansion of managed care in the biennium. The report shall be
3 submitted to the Legislative Budget Board and the Governor by
4 December 1, 2012.

5 SECTION 9. Contingency for House Bill 7: Institute of
6 Health Care Quality and Efficiency. Contingent on the enactment of
7 House Bill 7, 82nd Legislature, First Called Session, 2011, or
8 similar legislation relating to creation of an Institute of Health
9 Care Quality and Efficiency and repeal of the Texas Health Care
10 Policy Council, the Health and Human Services Commission is
11 appropriated \$228,800 in fiscal year 2012 and \$228,800 in fiscal
12 year 2013 in interagency contracts. The number of "Full-Time
13 Equivalent (FTE)" is increased by 2.0 FTEs in fiscal year 2012 and
14 2.0 FTEs in fiscal year 2013.

15 SECTION 10. Contingency for House Bill 7; Health Care
16 Collaborative. Contingent on enactment of House Bill 7, 82nd
17 Legislature, First Called Session, 2011, or similar legislation
18 relating to creation of health care collaboratives, out of the fees
19 and assessments collected by the Department of Insurance, the
20 Department is appropriated:

21 a. \$169,408 for fiscal year 2012 and \$461,901 for fiscal
22 year 2013 from General Revenue Insurance Companies
23 Maintenance Tax and Insurance Department Fees, and

24 b. \$254,112 for fiscal year 2012 and \$692,851 for fiscal
25 year 2013 from General Revenue Dedicated Fund 36, the
26 Texas Department of Insurance operating account to
27 implement the provisions of the legislation.

1 The number of "Full-Time Equivalents (FTE)" is increased by
2 8.0 FTEs in fiscal year 2012 and 16.0 FTEs in fiscal year 2013.

3 SECTION 11. Contingency for Senate Bill 6: Instructional
4 Materials Allotment. (a) Contingent on Senate 6, or a similar act of
5 the Eighty-second Legislature, First Called Session, 2011,
6 relating to the establishment of an instructional materials
7 allotment, being enacted by the vote necessary for the Act to take
8 effect immediately and the Act immediately becoming law, Subsection
9 (a) of Section 11 of House Bill 4, Acts of the Eighty-second
10 Legislature, Regular Session, 2011, has no effect and the
11 \$184,000,000 described by that subsection is allocated to fund the
12 instructional materials allotment in accordance with the
13 provisions of SB 6 or the similar Act, as applicable.

14 (b) To the extent of any conflict, this Act prevails over
15 the provisions of House Bill 4, Section 11, subsection (b), Acts of
16 the Eighty-second Legislature, Regular Session, 2011.

17 SECTION 12. SAVINGS CLAUSE. If any section, sentence,
18 clause or part of this Act shall for any reason be held to be
19 invalid, such decision shall not affect the remaining portions of
20 this Act; and it is hereby declared to be the intention of the
21 Legislature to have passed each sentence, section, clause, or part
22 thereof irrespective of the fact that any other sentence, section,
23 clause or part thereof may be declared invalid.

24 SECTION 13. EMERGENCY CLAUSE. The importance of the
25 legislation to the people of the State of Texas and the crowded
26 condition of the calendars in both Houses of the Legislature create
27 an emergency and an imperative public necessity that the

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1 Constitutional Rule requiring bills to be read on three separate
2 days in each House be suspended, and said Rule is hereby suspended;
3 and this Act shall take effect and be in force from and after its
4 passage, and it is so enacted.