

BILL ANALYSIS

Senate Research Center

C.S.H.B. 4
By: Pitts et al. (Ogden)
Finance
5/2/2011
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, are key components in the construction of the General Appropriations Act. C.S.H.B. 4 makes adjustments to appropriations to various agencies over various time periods to address revised revenue estimates and supplemental needs.

C.S.H.B. 4 amends current law relating to making supplemental 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. CERTAIN REDUCTIONS IN APPROPRIATIONS FOR THE STATE FISCAL YEAR ENDING AUGUST 31, 2011. (a) Provides that the appropriations from the general revenue (GR) fund for the state fiscal year ending August 31, 2011, made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to certain agencies are reduced respectively for each agency, in the unencumbered amounts indicated by this subsection, for a total aggregate reduction of \$1,059,070,326. Requires each of the agencies to identify the strategies and objectives out of which the indicated reductions in unencumbered amounts appropriated to the agency from the GR fund are made except to the extent a strategy or objective is specified by this subsection. Sets forth the agencies and amounts of the reductions applicable to each.

(b)(i) Provides that the unencumbered appropriation from the sporting good sales tax transfers to the GR fund (State Parks Account No. 64), pursuant to Section 11.035, Parks and Wildlife Code, and Section 151.801, Tax Code, for the state fiscal year ending August 31, 2011, made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to the Texas Parks and Wildlife Department (TPWD) is reduced by \$1,259,680.

(ii) Provides that the unencumbered appropriation from the sporting good sales tax transfers to the GR fund (Texas Recreation and Parks Account No. 467), pursuant to Section 24.003, Parks and Wildlife Code, and Section 151.801, Tax Code, for the state fiscal year ending August 31, 2011, made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to TPWD is reduced by \$3,150,000.

(iii) Provides that the unencumbered appropriation from the sporting good sales tax transfers to the GR fund (Large County and Municipality Recreation and Parks Account No. 5150), pursuant to Section 24.053, Parks and Wildlife Code, and Section 151.801, Tax Code, for the state fiscal year ending August 31, 2011,

made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to TPWD is reduced by \$2,100,000.

(iv) Provides that the unencumbered appropriation from the sporting good sales tax transfers to the GR fund (State Parks Account No. 64), pursuant to Section 11.035, Parks and Wildlife Code, and Section 151.801, Tax Code, for the state fiscal year ending August 31, 2011, made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to the Public Finance Authority is reduced by \$5,847,851.

(c) Provides that the amounts of the unencumbered appropriations listed in this subsection that were appropriated from the GR fund by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), for Public Junior/Community Colleges, are reduced for the state fiscal year ending August 31, 2011, in the aggregate amount of \$76,111,610 as indicated by this subsection. Requires the Texas Higher Education Coordinating Board (THECB) and the comptroller of public accounts (comptroller), pursuant to Section 130.0031, Education Code, to apply the reductions in GR appropriations to each community or junior college in the amounts indicated. Sets forth the community or junior colleges and the amounts of the reductions applicable to each.

(d) Provides that the appropriations from dedicated accounts in the GR fund for the state fiscal year ending August 31, 2011, made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to the agencies listed in this subsection are reduced respectively for each agency, in the unencumbered amounts indicated by this subsection from the dedicated accounts indicated by this subsection, for a total aggregate reduction of \$137,092,585. Requires each of the agencies to identify the strategies and objectives out of which the indicated reductions in unencumbered amounts appropriated to the agency from the indicated account in the GR fund are made. Sets forth the agencies and amounts of the reductions applicable to each.

(e) Provides that the appropriations from funds and from dedicated accounts in the GR fund for the state fiscal year ending August 31, 2011, made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to the agencies listed in this subsection are reduced respectively for each agency, in the unencumbered amounts indicated by this subsection from the funds or dedicated accounts indicated by this subsection, for a total aggregate reduction of \$60,757,700. Requires each of the agencies to identify the strategies and objectives out of which the indicated reductions in unencumbered amounts appropriated to the agency from the indicated fund or account are made. Sets forth the agencies and amounts of the reductions applicable to each.

(f)(1) Provides that the appropriations from the GR fund for the state fiscal year ending August 31, 2011, made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to the Judiciary Section, Comptroller's Department from GR Fund 0001 are reduced respectively in the unencumbered amounts indicated by this subsection. Sets forth the entities and amounts of the reductions applicable to each.

(2) Provides that the amounts of the unencumbered appropriations from GR Fund 0001 that were appropriated in Strategy A.1.1., District Judge Salaries, page IV-31, Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to the Judiciary Section, Comptroller's Department, are reduced by \$4,907,836, and the appropriations from Judicial Fund 0573 are increased by \$6,507,836, for the state fiscal year ending August 31, 2011. Provides that, additionally, the appropriations in Strategy A.1.1., District Judge Salaries, for the state fiscal year ending August 31, 2011, are converted from an estimated to a sum certain appropriation of \$23,440,403 from GR Fund 0001 and \$34,812,243 from Judicial Fund 0573.

(g) Provides that the appropriations from federal funds (TANF) for the state fiscal year ending August 31, 2011, made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to the Department of Assistive and Rehabilitative Services are reduced by \$4,319,216.

(h) Provides that the amounts of the unencumbered appropriations that were appropriated by Rider 3, page I-62, Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to the Department of Information Resources (DIR) for the state fiscal year ending August 31, 2011, are reduced by \$1,250,000 from appropriated receipts, and are reduced by \$500,000 from interagency contracts. Requires the comptroller to transfer the sum of those accounts from the DIR clearing account to the undedicated portion of the GR fund.

(i) Provides that the amounts of the unencumbered appropriations from interagency contracts that were appropriated by Rider 8, page I-63, Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to DIR are reduced by \$2,550,000 for the state fiscal year ending August 31, 2011. Requires the comptroller to transfer that amount from the DIR telecommunications revolving account to the undedicated portion of the GR fund.

SECTION 2. REDUCTIONS FROM LEGISLATIVE AGENCIES. Requires the lieutenant governor and the speaker of the house of representatives to jointly identify the various Article X agencies and entities from which amounts are to be transferred and to determine the amount reduced and transferred from each agency or entity for purposes of Section 1(a)(159) of this Act.

SECTION 3. GENERAL LAND OFFICE: CERTAIN REDUCTIONS. Provides that the appropriations to the General Land Office for the state fiscal year ending August 31, 2011, made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), from GR dedicated account number 27, Coastal Protection Account, are reduced by \$204,220.

SECTION 4. PARKS AND WILDLIFE DEPARTMENT: CERTAIN REDUCTIONS. Provides that the unencumbered appropriations from the sporting good sales tax transfers to the GR fund (State Parks Account No. 64), pursuant to Section 11.035, Parks and Wildlife Code, and Section 151.801, Tax Code, for the state fiscal year ending August 31, 2011, made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to TPWD are reduced by \$7,407,220 as a result of lapses for coastal erosion projects.

SECTION 5. TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR: CERTAIN REDUCTIONS. Provides that the unencumbered appropriations for the state fiscal year ending August 31, 2011, made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to the Trusteed Programs within the Office of the Governor from GR Fund 0001 under Strategy A.1.2., Disaster Funds, are reduced by \$20,000,000.

SECTION 6. COMMISSION ON ENVIRONMENTAL QUALITY: EMISSIONS REDUCTION PLAN. Provides that the unencumbered appropriations for the state fiscal year ending August 31, 2011, made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to the Texas Commission on Environmental Quality from GR dedicated account number 5071, Emissions Reduction Plan Account, are reduced by \$35,000,000.

SECTION 7. OFFICE OF THE ATTORNEY GENERAL: CONTINGENCY FEE PAYMENT. Provides that in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2011, the amount of \$17,311,326 is appropriated out of the suspense account established by the comptroller and the attorney general in GR Fund 0001 for the payment of itemized claims and judgments, plus interest, if any, against the state of Texas, to the Office of the Attorney General, for the fiscal year ending August 31, 2011, for a contingency fee payment payable under the outside counsel contract OCC No. 2007-302-0012 to Wright and Greenhill, P.C., for work performed in reaching the final judgment in State of Texas ex rel. Ven-a-Care of

Florida v. Mylan Pharmaceuticals USA et al., Cause No. D-1-GV-07-001259, District Court of Travis County, 201st Judicial District.

SECTION 8. TEXAS EDUCATION AGENCY: FOUNDATION SCHOOL PROGRAM. Provides that in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2011, the amount of \$600,000,000 is appropriated out of Foundation School Fund 193 to the Texas Education Agency for the two-year period beginning on the effective date of this Act for the Foundation School Program.

SECTION 9. REAL ESTATE COMMISSION: CAPITAL BUDGET AUTHORITY FOR IMAGING COSTS. Authorizes the Real Estate Commission, in addition to the capital budget authority previously granted for the state fiscal biennium ending August 31, 2011, to use \$196,000 in capital budget authority for the capital budget item for image system implementation.

SECTION 10. DEPARTMENT OF TRANSPORTATION: CERTAIN RIDERS. Repeals Rider 63 on page VII-37 following the appropriations to the Department of Transportation (TxDOT) made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), and provides that TxDOT is not required to comply with that rider on and after the effective date of this Act.

SECTION 11. TEXAS EDUCATION AGENCY: INSTRUCTIONAL MATERIALS APPROPRIATIONS. Provides that \$184,000,000 of the appropriations made by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), to the Texas Education Agency from State Textbook Fund 0003 for the fiscal year ending August 31, 2011, is allocated in a certain manner.

SECTION 12. CONTINGENT UNEXPENDED BALANCE AUTHORITY. Transfers the unobligated and unexpended balance of Major Events Trust Fund 0869, not to exceed \$10,000,000, to GR Fund 0001, notwithstanding the provisions of Section 5A, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), contingent on the 82nd Legislature, Regular Session, 2011, not acting to reduce by \$10,000,000 or more the appropriations to the comptroller for the state fiscal biennium ending August 31, 2011, made by Rider 17.58, page IX-81, Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), for deposit into Major Events Trust Fund 0869.

SECTION 13. TEXAS STATE TECHNICAL COLLEGE - WACO: CONNALLY TECHNOLOGY CENTER. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2011, the amount of \$2,000,000 is appropriated out of GR Fund 0001 to the Texas State Technical College - Waco for the two-year period beginning on the effective date of this Act for the purpose of making repairs to the Connally Technology Center. Provides that the legislature finds there is a demonstrated need for undertaking the repair of this building.

SECTION 14. DEPARTMENT OF CRIMINAL JUSTICE: CORRECTIONAL MANAGED HEALTH CARE. Provides that the amount of \$57,000,000 is appropriated out of GR Fund 0001 to the Department of Criminal Justice for the two-year period beginning on the effective date of this Act for the purpose of providing for correctional managed health care.

SECTION 15. TEXAS FOREST SERVICE: WILDFIRES. Provides that the amount of \$39,800,000 is appropriated out of GR Fund 0001 to the Texas Forest Service for the two-year period beginning on the effective date of this Act to pay for costs incurred associated with fighting wildfires.

SECTION 16. APPROPRIATION FROM ECONOMIC STABILIZATION FUND. Provides that the amount of \$3,248,247,540 is appropriated from Economic Stabilization Fund 0599 to the comptroller for the purpose of depositing that amount to the credit of GR Fund 0001 as money available for use during the state fiscal year ending August 31, 2011, to make expenditures

previously authorized by appropriations from that fund for the state fiscal biennium ending August 31, 2011.

SECTION 17. TEXAS MILITARY VALUE REVOLVING LOAN ACCOUNT. (a) Provides that the Texas Military Preparedness Commission is appropriated \$29,000,000 in General Obligation Bond Proceeds pursuant to Section 49-n, Article III, Texas Constitution, as added by S.J.R. No. 55, Acts of the 78th Legislature, Regular Session, 2003. Requires that the proceeds from the sale of the bonds be deposited in GR dedicated account number 5114, Texas Military Value Revolving Loan Account, to provide for economic development projects that benefit defense-related communities as provided by Subchapter D (Fiscal Provisions), Chapter 436 (Texas Military Preparedness Commission), Government Code, without further appropriation.

(b) Provides that the Texas Public Finance Authority is appropriated an amount, estimated to be \$0, for the fiscal year ending August 31, 2011, out of GR dedicated account number 5114, Texas Military Value Revolving Loan Account, to pay the related debt service.

SECTION 18. DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES: UNEXPENDED BALANCE AUTHORITY. Provides that the unexpended and unencumbered balance of the amounts appropriated by Chapter 1409 (H.B. 4586), Acts of the 81st Legislature, Regular Session, 2009, are appropriated to the Department of Assistive and Rehabilitative Services for the same purposes for a period beginning on the effective date of this Act and ending on August 31, 2011.

SECTION 19. TEXAS EDUCATION AGENCY: FUNDING FOR SCHOOL DISTRICTS SUBJECT TO PURCHASE OF ATTENDANCE CREDITS BASED ON ACTUAL REVENUE PER STUDENT. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2011, the amount of \$3,630,776 is appropriated out of GR Fund 0001 to the Texas Education Agency, Strategy A.1.1., FSP - Equalized Operations, for the two-year period beginning on the effective date of this Act, for use by the commissioner of education to allow school districts that adopted a maintenance and operations tax rate for the 2009 tax year of less than \$0.30 to determine the cost of attendance credits necessary to achieve the equalized wealth level under Chapter 41, Education Code, for the 2009-2010 school year based on Section 41.093(a)(1) (relating to the amount of the district's maintenance and operations tax revenue per student in weighted average daily attendance for the school year for which the contract is executed), Education Code, instead of Section 41.093(a)(2) (the amount of the statewide district average of maintenance and operations tax revenue per student in weighted average daily attendance for the school year preceding the school year for which the contract is executed), Education Code.

SECTION 20. HEALTH AND HUMAN SERVICES COMMISSION: UNEXPENDED BALANCE AUTHORITY FOR HUMAN RESOURCES UPGRADE. Provides that, from the appropriations made to the Health and Human Services Commission from GR Fund 0001 for the state fiscal year ending August 31, 2011, by Chapter 1424 (S.B. 1), Acts of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), in Strategy A.2.1., Consolidated System Support (page II-76), and Strategy B.1.4., Children & Medically Needy (page II-76), for the HHS HR/Payroll system upgrade, the unobligated and unexpended balance (estimated to be \$6,700,000) is appropriated to the Health and Human Services Commission for the two-year period beginning on the effective date of this Act for the HHS HR/Payroll system upgrade.

SECTION 21. (a) Effective date, subject to Subsection (b) of this section: immediately.

(b) Provides that Section 16 of this Act takes effect only if this Act is approved by a vote of three-fifths of the members present in each house of the legislature, as provided by Section 49-g(k) (relating to appropriation of certain amount of the economic stabilization fund), Article III (Legislative Department), Texas Constitution. Provides that the appropriations under Section 16 of this Act are subject to certification by the comptroller as provided by Section 49-g(k), Article III, Texas Constitution.