

SUBJECT:           Emergency appropriations

COMMITTEE:       Appropriations — committee substitute recommended

VOTE:             17 ayes — Junell, Averitt, Coleman, Cuellar, Davis, Eiland, Finnell,  
Gallego, Greenberg, Heflin, Hernandez, Hochberg, Mowery, Pitts, Tillery,  
Walker, West

0 nays

10 absent — Delisi, Glaze, Haggerty, Hinojosa, Kubiak, Moreno, Price,  
Raymond, Swinford, S. Turner

SENATE VOTE:     On final passage, March 25 — 30-0

WITNESSES:       For — None

Against — None

On — Terry Trimble, Bobby Halfman, Texas Department of Human  
Services; Dan Pearson, James Phillips, Texas Natural Resources  
Conservation Commission

BACKGROUND :    CSSB 1898 would address various issues involving additional state  
spending for the current budget period:

- Federal welfare reform measures necessitating major automation system changes for the Texas Department of Human Services in order to identify eligible and ineligible welfare recipients, respond to data collection and reporting requirements and administer federal grants;
- Loss of federal funds to pay for pre-freshmen engineering programs held during the summer on several university campuses for high school and middle school children with engineering interests and seeking advanced education;

- Settlement of a lawsuit negotiated between the masonry subcontractor Lucia, Inc. and the Texas Department of Criminal Justice on contract interpretation differences regarding mortar and grouting responsibilities in constructing the Stiles Unit in Beaumont;
- State Auditor's Office projections that Texas Southern University will become insolvent in fiscal 1997 due to problems with documenting student federal financial aid eligibility and other management inefficiencies. The U.S. Department of Education has demanded reimbursement for \$680,000 for school year 1993-94, \$100,000 for 1994-95 and \$13 million for 1996 for financial aid payments that TSU received without providing adequate proof of student eligibility;
- Contract obligations to MARTA Technologies, Inc., relating to start-up costs for establishing vehicle emission testing sites in El Paso, now abandoned due to the elimination of the program in 1995 by the Legislature.

DIGEST: CSSB 1898 would make emergency appropriations to several state agencies for fiscal 1997 totaling \$10.975 million in general revenue and \$11 million in dedicated general revenue. CSSB 1898 also would result in fiscal 1998-99 gains of \$6.2 million in general revenue from refunded federal funds to TSU.

The bill would take effect immediately if finally approved by a two-thirds record vote of the membership in each house.

CSSB 1898 would appropriate the following:

- \$3.5 million to the Texas Department of Human Services of federal funds from the Temporary Assistance for Needy Families (TANF) block grant for making necessary modifications to automation systems to administer federal grants;
- \$275,000 in general revenue to the Texas Higher Education Coordinating Board for the Texas Pre-freshman Engineering Program;

- \$653,211 to the Texas Department of Criminal Justice (TDCJ) out of general obligation bond proceeds to pay for settlement of the *Lucia, Inc. v. Manhattan Construction Inc., et al. v. The State of Texas, et al.* lawsuit, contingent upon receipt of a full and complete release from all claims in causes of action related to the case;
- \$10.4 million of general revenue to Texas Southern University (TSU) to fund existing financial obligations. Funds could be spent only in conformance with guidelines that would be developed by the State Auditor's Office; certain federal payments would have to be used to reimburse the general revenue fund.
- \$11 million to the Texas Natural Resource Conservation Commission (TNRCC) from a dedicated general revenue account, Clean Air Account No. 151, to pay MARTA Technologies, Inc. for a contract relating to motor vehicle inspection. The appropriation would be contingent on the prior agreement by MARTA that the appropriation would be full and final satisfaction of all claims relating to the emission control contract of 1993 and the state and its agencies would be indemnified and held harmless against all related claims against it. This appropriation would not create an obligation on the state to pay any amounts to any other party under contract for the emission control program; and
- \$300,000 in general revenue to Texas A&M University at Galveston to restore and rehabilitate severe shoreline erosion in the small boat basin.

NOTES:

The committee substitute reduced appropriations for the Department of Human Services to \$3.5 million from \$4.6 million and for the coordinating board to \$275,000 from \$450,000. It also removed appropriations to the Department of Protective and Regulatory Services, Employees Retirement System, Texas Youth Commission, Edwards Aquifer Authority, Department of Information Resources, Texas Department of Transportation, and TNRCC. Emergency appropriations for these agencies were shifted to CSSB 886 by Ratliff, which was signed by the governor on May 9 and took effect immediately.