

## **BILL ANALYSIS**

Senate Research Center

H.B. 4  
By: Pitts et al. (Ogden)  
Finance  
4/6/2011  
Engrossed

### **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. H.B. 4 makes adjustments to appropriations to various agencies over various time periods to address revised revenue estimates and supplemental needs.

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 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 \$1,133,626,046. 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 general revenue 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.

(b) (i) Provides that the unencumbered appropriation from the sporting good sales tax transfers to the general revenue 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 general revenue 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 general revenue 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 general revenue 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 general revenue 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 general revenue appropriations to each community or junior college in the amounts indicated. Sets forth the colleges and the amounts of the reductions.

(d) Provides that the appropriations from dedicated accounts in the general revenue 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 \$136,843,885. 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 general revenue fund are made. Sets forth the agencies and amounts of the reductions.

(e) Provides that the appropriations from funds and from dedicated accounts in the general revenue 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.

(f)(1) Provides that the appropriations from the general revenue 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 General Revenue Fund 0001 are reduced respectively in the unencumbered amounts indicated by this subsection. Sets forth the entities and amounts of the reductions.

(2) Provides that the amounts of the unencumbered appropriations from General Revenue 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 in the amount of \$4,907,836, and the appropriations from Judicial Fund 0573 are increased in the amount of \$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 General Revenue 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.

**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)(160) 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 general revenue dedicated account number 27, Coastal Protection Account, are reduced by \$204,220.

**SECTION 4. PARKS AND WILDLIFE DEPARTMENT: CERTAIN REDUCTIONS.** Provides that the unencumbered appropriation from the sporting good sales tax transfers to the general revenue 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 Parks and Wildlife Department is 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 General Revenue 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 general revenue dedicated account number 5071, Emissions Reduction Plan Account, are reduced by \$35,000,000.

**SECTION 7. HIGHER EDUCATION COORDINATING BOARD: CERTAIN REDUCTIONS RESULTING FROM THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009.** Provides that the unencumbered appropriations from General Revenue Fund 0001 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 THECB are reduced by \$10,000,000. Requires THECB to coordinate with the office of the governor and institutions of higher education that received funds pursuant to Section 14002(b), American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5), for that office and those institutions to remit any available unencumbered balances to THECB in accordance with federal law.

**SECTION 8. FACILITIES COMMISSION: UTILITY COSTS.** (a) Provides that in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2011, the amount of \$1,500,000 is appropriated out of General Revenue Fund 0001 to the Facilities Commission under Strategy B.2.1., Facilities Operation, for the two-year period beginning on the effective date of this Act for the purpose of providing for payment of increased utility costs as a result of an increase in utility rates.

(b) Prohibits money appropriated by this section, notwithstanding Section 14.01, Part 14, Article IX, Appropriation Transfers, or similar provisions of Chapter 1424 (S.B. 1), Acts

of the 81st Legislature, Regular Session, 2009 (the General Appropriations Act), from being transferred by the Facilities Commission to another appropriation item or be used by the commission for a purpose other than payment of utility expenses without the prior written approval of the Legislative Budget Board (LBB).

**SECTION 9. 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 0193 to the Texas Education Agency for the two-year period beginning on the effective date of this Act for the Foundation School Program.

**SECTION 10. SUPREME COURT OF TEXAS: CERTAIN EXPENDITURES.** Provides that in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2011, the Supreme Court of Texas is appropriated \$71,535 from Judicial Fund 0573 for personnel costs, security expenses, unemployment reimbursements, and travel expenses.

**SECTION 11. REAL ESTATE COMMISSION: MOVING AND IMAGING COSTS.** (a) Provides that in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2011, the amount of \$350,376 is appropriated out of General Revenue Fund 0001 to the Texas Real Estate Commission (TREC) for the two-year period beginning on the effective date of this Act for the purpose of providing for one-time moving costs and the imaging of files.

(b) Authorizes TREC, 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 12. DEPARTMENT OF CRIMINAL JUSTICE: CORRECTIONAL MANAGED HEALTH CARE.** Provides that the amount of \$40,000,000 is appropriated out of General Revenue 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 13. TEXAS EDUCATION AGENCY: INSTRUCTIONAL MATERIALS APPROPRIATIONS.** Provides that \$85,000,000 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 for the purpose of funding continuing contracts costs for materials scheduled to enter classrooms for the 2011-12 school year.

**SECTION 14. TEXAS WORKFORCE COMMISSION: FEDERALLY FUNDED BENEFITS.** Provides that to minimize the impact on state funds appropriated in this Act or in H.B. 1, Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the fiscal biennium ending August 31, 2013, for unemployment benefits, it is the intent of the legislature that the Texas Workforce Commission, to the extent authorized by law, adjust unemployment eligibility periods as necessary to maximize receipt of any 100 percent federally funded benefit. Provides that this provision does not appropriate state funds, nor authorize additional state funds to be appropriated as a result of this authorization. Provides that additional federal funds received by the State of Texas resulting from the authorized adjustment are appropriated as necessary to comply with Section 2005 of Public Law No. 111-5.

**SECTION 15. APPROPRIATION TO THE SOIL AND WATER CONSERVATION BOARD.** Provides that the appropriations from the General Revenue Fund 0001 for the two-year period beginning on the effective date of this Act to the Soil and Water Conservation Board are hereby increased by \$1,100,000.

**SECTION 16.** (a) Defines "state agency" in this section.

(b) Prohibits a state agency, except as provided by Subsection (d) of this section, from:

(1) filling the position of an employee if the position is vacant on the effective date of this section, or becomes vacant after the effective date of this section; or

(2) diverting to another use, including a use for salary, wages, or benefits of another employee, money appropriated for the salary, wages, or benefits attributable to a position described by Subdivision (1) of this subsection.

(c) Requires the comptroller, on September 1, 2011, to deposit the unexpended money appropriated for salary, wages, or benefits for an employee's vacant position to which Subsection (b) of this section applies to the credit of the fund or account from which the money was appropriated.

(d) Authorizes a state agency to fill a vacant position and to use to fill that position money appropriated for the salary, wages, or benefits attributable to one or more positions described by Subsection (b)(1) of this section only if:

(1) the agency determines that filling the position is necessary to prevent or ameliorate an emergency related to the agency's public purposes;

(2) the agency notifies the governor and LBB of the nature of the emergency, the functions of the position to be filled, the salary, wages, and benefits proposed to be paid to a person to fill the position, and any other information requested by the governor or LBB.

(e) Provides that to the extent of any conflict, this section supersedes any other Act of the 82nd Legislature, Regular Session, 2011.

(f) Provides that this section expires September 2, 2011.

SECTION 17. Prohibits unobligated balances in the Texas Emerging Technology Fund in the Office of the Governor as of the effective date of this Act from being obligated in any manner during the remainder of the state fiscal year ending August 31, 2011.

SECTION 18. Effective date: immediately.