

## **BILL ANALYSIS**

Senate Research Center

H.B. 2  
By: Zerwas (Nelson)  
Finance  
5/16/2017  
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, is a key component on the construction of the General Appropriations Act. H.B. 2 seeks to make supplemental appropriations and give direction and adjustment authority regarding certain appropriations to address revised revenue estimates and supplemental needs.

H.B. 2 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. APPROPRIATION REDUCTION: PUBLIC FINANCE AUTHORITY.** Provides that the unencumbered appropriations from the general revenue fund (GRF) to the Texas Public Finance Authority (TPFA) made by Chapter 1281 (General Appropriations Act) (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015, for use during the state fiscal biennium ending August 31, 2017, for bond debt service payments, including appropriations subject to Rider 2 (Information Listing of Appropriated Funds), page I-47, Chapter 1281 (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015, to the bill pattern of the appropriations to TPFA, are reduced by a total aggregate of \$53,636,997. Requires TPFA to identify the strategies and objectives to which the reduction is to be allocated and the amount of the reduction for each of those strategies and objectives.

**SECTION 2. HEALTH AND HUMAN SERVICES COMMISSION: MEDICAID SHORTFALL.** (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2017, \$930,733,818 is appropriated from the general revenue fund (GR fund), and \$1,705,243,901 is appropriated from federal funds, to the Health and Human Services Commission (HHSC) for the state fiscal year ending August 31, 2017, for Medicaid services under Goal B, Medicaid, as listed in Chapter 1281 (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015.

(b) Provides that the expenditure or emergency transfer of money appropriated under Subsection (a) of this section is subject to the prior written approval of the Legislative Budget Board (LBB) in accordance with Section 69 (Prior Approval of Expenditure or Emergency Transfer of Appropriated Funds), Article XVI (General Provisions), Texas Constitution.

**SECTION 3. HEALTH AND HUMAN SERVICES COMMISSION: MEDICAID ACUTE CARE THERAPY SERVICES.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2017, \$21,500,000 is appropriated from the GR fund, and \$29,800,000 is appropriated from federal funds, to HHSC for the state fiscal year ending

August 31, 2017, for Medicaid acute care therapy services, to be allocated among provider types and procedure codes for those services to preserve access to care.

**SECTION 4. HEALTH AND HUMAN SERVICES COMMISSION: CERTAIN RIDERS.** Amends Subsection (c), Rider 50, page II-97, Chapter 1281 (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015, to the bill pattern of the appropriations to HHSC, as follows:

(c) Requires HHSC to reform reimbursement methodology to be in line with industry standards and utilization, rather than standards, policies, and utilization, for acute care therapy services (including physical, occupational, and speech therapies) while considering stakeholder input and access to care. Provides that in state fiscal year 2017, \$28,500,000 in GR fund savings should be achieved through rate reductions. Deletes existing text relating to GR fund savings achieved through various medical policy initiatives.

**SECTION 5. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES: ADDITIONAL APPROPRIATIONS.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2017, certain amounts are appropriated from the GR fund to the Department of Family and Protective Services (DFPS) for the state fiscal year ending August 31, 2017, for certain purposes as listed in Chapter 1281 (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015.

**SECTION 6. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES: CERTAIN TRANSFERS.** Requires DFPS, notwithstanding the limitations of Rider 32 (Relative Caregiver Payment), page II-43, Chapter 1281 (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015 (the General Appropriations Act), to the bill pattern of the appropriations to DFPS, to transfer \$435,475 from Strategy B.1.11., Relative Caregiver Payments, to Strategy B.1.9., Foster Care Payments, as listed in Chapter 1281 (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015.

**SECTION 7. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES: ADDITIONAL APPROPRIATIONS FOR AGENCY CRITICAL NEEDS.** provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2017, DFPS is appropriated for the state fiscal year ending August 31, 2017, certain amounts from the GR fund for the following strategies as listed in Chapter 1281 (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015, to address critical needs of the agency with respect to those strategies.

**SECTION 8. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES: CERTAIN TRANSFERS.** (a) Requires DFPS to transfer to HHSC certain amounts, notwithstanding any transfer limitation specified in Chapter 1281 (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015.

(b) Authorizes HHSC to spend Temporary Assistance for Needy Families (TANF) program federal funds transferred under Subsection (a)(2) of this section during the state fiscal year ending August 31, 2017, only with the prior written approval of LBB in accordance with Section 69, Article XVI, Texas Constitution.

**SECTION 9. TEXAS A&M FOREST SERVICE: APPROPRIATION FOR GENERAL COSTS CAUSED BY VARIOUS EMERGENCY WEATHER-RELATED RESPONSES.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2017, \$5,100,000 is appropriated from the GR fund to the Texas A&M Forest Service for the state fiscal year ending August 31, 2017, for the purpose of paying for, or reimbursing payments made for, costs incurred by the forest service associated with responding to various weather-related emergencies.

**SECTION 10. DEPARTMENT OF CRIMINAL JUSTICE: CORRECTIONAL MANAGED HEALTH CARE SHORTFALL.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2017, \$80,000,000 is appropriated from the GR FUND to the Texas Department of Criminal Justice for the state fiscal year ending August 31,

2017, for correctional managed health care under Strategy C.1.9., Hospital and Clinical Care, as listed in Chapter 1281 (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015.

SECTION 11. JUVENILE JUSTICE DEPARTMENT: OPERATIONAL SHORTFALL. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2017, \$4,469,257 is appropriated from the GR fund to the Texas Juvenile Justice Department for the state fiscal year ending August 31, 2017, for an operational shortfall.

SECTION 12. ANIMAL HEALTH COMMISSION: CATTLE FEVER TICKS. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2017, \$649,987 is appropriated from the GR fund to the Animal Health Commission for the state fiscal year ending August 31, 2017, for preparedness for, response to, and mitigation of cattle fever ticks under Strategy A.1.1., Field Operations, as listed in Chapter 1281 (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015.

SECTION 13. TEXAS ALCOHOLIC BEVERAGE COMMISSION. (a) Prohibits the Texas Alcoholic Beverage Commission (TABC) from spending money appropriated to TABC by Chapter 1281 (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015, for travel outside the state, other than for bona fide and documented law enforcement or investigative activities or to attend or participate in an event, training, conference, class, or similar activity outside the state during the state fiscal biennium ending August 31, 2017.

(b) Prohibits TABC and TABC employees from accepting payments from or spending authority on behalf of any trade, professional, or industry organization for any purpose or in any form, including a travel subsidy, payment of travel or other expenses for conference presenters, prepaid meals, or lodging.

SECTION 14. EFFECTIVE DATE. Provides that this Act takes effect immediately.