

House Appropriations Committee Decision Document
 Representative Zerwas, Chairman

Decisions as of March 15, 2017

LBB Manager: Michael VanderBurg & Amy Borgstedte

Article IX General Provisions Total, Article IX General Provisions Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Subcommittee Decisions			
	Items Not Included in HB 1 2018-19 Biennial Total		Pended Items 2018-19 Biennial Total		Adopted 2018-19 Biennial Total		Article XI 2018-19 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
General Provisions								
Section 17.10 Adjustment of Therapy Rate Reductions	\$ -	\$ -	\$ -	\$ -	Adopt technical adjustment to move funding from Article IX to Article II		\$ -	\$ -
Delete Rider Section 17.11 Defense Economic Adjustment Assistance Grants Funding moved to House Bill 2	\$ -	\$ -	\$ -	\$ -	\$ (28,506,515)	\$ (28,506,515)	\$ -	\$ -
New Rider - Tax Amnesty Rider					Adopt			
New Rider - Accelerated Sate of Unclaimed Securities					Adopt			
New Rider - Contingency for House Bill 2	\$ -	\$ -	\$ -	\$ -	Adopt		\$ -	\$ -
New Rider - Contract Cost Containment	\$ -	\$ -	\$ -	\$ -	\$ (500,000,000)	\$ (500,000,000)	\$ -	\$ -
Total GR & GR-Ded Adopted Items less Cost-out Adjustments	\$ -	\$ -	\$ -	\$ -	\$ (528,506,515)	\$ (528,506,515)	\$ -	\$ -
	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019
Total, Full-time Equivalent / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

By: _____

Article IX Tax Amnesty

Overview

Purpose: Amend Article IX, Part 17, by making \$27,730,000 in appropriations from the General Revenue Fund and \$18,333,000 in appropriations from the Property Tax Relief Fund contingent upon the implementation of a tax amnesty program by the Comptroller of Public Accounts resulting in a net increase of available General Revenue Funds in the 2018-19 biennium of at least \$46,063,000 over the Comptroller's January 2017 Biennial Revenue Estimate.

Required Action

On page IX-85 of the Article IX bill pattern, add the following appropriately numbered rider:

Sec. 17. XX Tax Amnesty. Out of funds appropriated elsewhere in this act, the Comptroller of Public Accounts shall establish, for a limited duration, a tax amnesty program under the authority of Tax Code Section 111.103, designed to encourage a voluntary reporting by delinquent taxpayers who do not hold a permit, or are otherwise not registered for a tax or fee administered by the Comptroller, or those permitted taxpayers that may have underreported or owe additional taxes or fees. Such a program should provide for the waiver of penalty or interest, or both, but shall not apply to an established tax liability or taxpayers currently under audit review. The amnesty would include tax due from purchases as defined under current state tax statutes. \$27,730,000 in appropriations from the General Revenue Fund made elsewhere in this act and \$18,333,000 in appropriations from the Property Tax Relief Fund made elsewhere in this act are contingent upon the tax amnesty program generating a net increase in available General Revenue Funds in the 2018-19 biennium of at least \$46,063,000 over the Comptroller's January 2017 Biennial Revenue Estimate and any additional general revenue certified as of the date of the enactment of this Act.

By: _____

Article IX
Accelerated Sale of Unclaimed Securities

Overview

Purpose: Amend Article IX, Part 17 by adding the appropriately numbered section to make \$500,000,000 in General Revenue Funds appropriated elsewhere in this act contingent upon the Comptroller of Public Accounts accelerating the sale of unclaimed securities by at least \$500,000,000 over the Comptroller's January 2017 Biennial Revenue Estimate and depositing those proceeds in the General Revenue Fund.

Required Action

On page IX-85 of the Article IX bill pattern, add the following appropriately numbered rider:

Sec. 17.XX. Accelerated Sale of Unclaimed Securities. \$500,000,000 in General Revenue Funds appropriated elsewhere in this act is contingent upon the Comptroller of Public Accounts accelerating the sale of unclaimed securities by at least \$500,000,000 in excess of the Comptroller's January 2017 Biennial Revenue Estimate and any additional general revenue certified as of the date of the enactment of this Act, and depositing those proceeds in the General Revenue Fund.

By: _____

Article IX
Special Provisions
Proposed Contingency
Targeted Reductions

Prepared by LBB Staff, 03/07/2017

Overview

The following provision makes certain appropriations made elsewhere in HB 1 contingent on passage and enactment of HB 2, the supplemental appropriations bill.

Required Action

On page IX- of HB1, add the following new provision:

_____. **Contingency for House Bill 2, relating to making supplemental appropriations and giving direction and adjustment authority regarding appropriations.**

Certain appropriations made elsewhere in this Act are contingent on the following conditions:

1. Passage and enactment of HB 2; and
2. Appropriation of no less than \$2.47 billion from the Economic Stabilization Fund in HB 2.

In the event the above conditions are not met, the following appropriations shall be reduced as follows:

Agency	Action	2018-19 General Revenue	2018-19 Adjusted General Revenue
Governor's Truusted Programs	Texas Enterprise Fund	\$43,000,000	\$0
Health and Human Services Commission	Behavioral Health Waiting List	\$62,600,000	\$0
Health and Human Services Commission	Women's Health	\$260,915,378	\$0
Health and Human Services Commission	Children's Health Program	\$151,508,274	\$0
Health and Human Services Commission	Long Term Care	\$1,357,223,402	\$0
Department of Family and Protective Services	CPS Critical Needs	\$263,001,870	\$0
Texas Education Agency	Foundation School Program: HB 21 Contingency	\$1,470,200,000	\$0
Institutions of Higher Education	Special Items: 100% Reduction	\$900,000,000	\$0
Total		\$4,595,748,921	\$0

General Provisions, Article IX

Proposed Rider

Contract Cost Containment

Prepared by LBB Staff, 03/15/2017

Overview

The following rider reduces appropriations to agencies and institutions of higher education and requires agencies/institutions to implement certain cost containment strategies to achieve \$500.0 million in 2018-19 General Revenue and General Revenue-Dedicated savings as listed in the rider.

Required Action

On page IX-X of Article IX, General Provisions, Miscellaneous Provision add the following rider:

_____. **Contract Cost Containment.** It is the intent of the Legislature that all agencies and institutions find savings in contracted goods and services to ensure the cost-effective use of state appropriations regardless of method of finance or source of funds. Appropriations of General Revenue and General Revenue-Dedicated Funds made elsewhere in this Act are reduced by the amounts listed below. Affected agencies shall identify and execute savings and efficiencies in their use of contracted goods and services.

- a. In addition to canceling contracts for which the agency does not have sufficient appropriations, agencies and institutions should implement the following strategies to the extent allowable by state statute and the Contract Management Guide:
 - 1) Modify contract statements of work to remove non-essential services or requirements;
 - 2) Provide services previously outsourced; any increase in full-time equivalents needed to provide such services are subject to the approval process established by Article IX, Section 6.10 of this Act;
 - 3) Reduce staff augmentation contracts for non-essential functions; if an agency cannot fill a classified information technology position (class number 0210-0328), the agency may exceed the classified salary schedule provided in this Act if it provides written notice to the Legislative Budget Board at least 30 calendar days prior to filling the position. The request shall be considered approved unless disapproved by the Legislative Budget Board;
 - 4) Ensure provisions related to service level and pricing mechanisms in existing contracts are correctly enforced;
 - 5) Enforce damage provisions for vendor non-performance and collect monetary refunds for improper payments to vendors;
 - 6) Ensure dollar values of performance bonds and insurance are consistent with risk of non-performance and reduce requirements if it is prudent to do so;
 - 7) Use TxSmartBuy, term contracts, and cooperative contracts whenever possible;
 - 8) Modify supplier terms and discounts;
 - 9) Consolidate purchasing requests and delivery intervals;
 - 10) While ensuring the maximum use of competitive sourcing, consolidate contracts for similar services into the fewest vendors possible to reduce duplication of effort;
 - 11) Reduce on-hand quantities of inventoried items and centralize warehouses; and
 - 12) Encourage vendors to identify potential cost savings.
- b. In addition, an agency or institution of higher education may not use funds appropriated elsewhere in this Act to pay for contracted goods or services unless it:
 - 1) Seeks competitive bids before renewing or extending any contract that has been in effect more than three fiscal years as of August 31, 2017 and is valued at \$50,000 or more.
 - 2) Conducts a cost-benefit analysis to compare canceling or continuing any contract related to a major information resource project subject to Quality Assurance Team (QAT) monitoring that is more than 50 percent over budget or over schedule. QAT must re-approve the cost-benefit analysis for the project to continue.
- c. In addition to the provisions listed above, the Health and Human Services Commission (HHSC) shall identify and execute savings in Medicaid contracts by:
 - 1) _____
 - 2) _____
 - 3) _____
 - 4) _____
 - 5) _____
 - 6) _____
 - 7) _____
 - 8) _____
 - 9) _____
 - 10) _____
 - 11) _____
 - 12) _____

- 1) Reducing reliance, to the extent permissible under federal guidelines, on contracted actuarial services. Funds appropriated elsewhere in this Act may not be used to pay contracted actuarial services to develop rates without written notice to the Legislative Budget Board at least 30 calendar days prior to executing a service requisition, contract change order, contract renewal, or new contract for such services. The request shall be considered approved unless disapproved by the Legislative Budget Board;
 - 2) Ensuring collaboration between the Medicaid and CHIP data analytics unit and the HHSC actuarial staff to investigate and analyze any anomalies in the expenditure data used to set rates and to ensure the expenditure data being used to set rates is sound;
 - 3) Evaluating the methodology used to develop trend factors and other growth assumptions, including ensuring the methodology properly accounts for growth that could be considered one-time rather than ongoing;
 - 4) Using competitive bidding as required in the Texas Government Code and federal law; for this section, bid is defined as a submitted price at which a vendor will perform work or supply goods;
 - 5) Ensuring all programs are meeting cost effectiveness requirements in the Texas Government Code, including the requirements established in Texas Government Code 533.0025; and
 - 6) Conducting a cost-benefit analysis of contracted services for the provision of agency-related human resource functions. The analysis should be prepared in a manner prescribed by the Legislative Budget Board. Funds appropriated elsewhere in this Act may not be used to pay for outsourced human resource functions unless the required cost benefit analysis is submitted to the Legislative Budget at least 90 days prior to executing a service requisition, contract change order, contract renewal, or new contract for such services. The request shall be considered approved unless disapproved by the Legislative Budget Board.
- d. Each agency and institution of higher education that receives appropriations in this Act, shall provide a report to the Legislative Budget Board and the Governor that details strategies implemented, savings realized, and any other information required by the Legislative Budget Board from contract cost containment efforts. The report for activities undertaken in fiscal year 2018 is due not later than September 30, 2018 and a summary report for the 2018-19 biennium is due August 31, 2019.
- e. The table below lists reductions for each agency and institution of higher education in 2018-19 General Revenue and General Revenue-Dedicated funds for a total savings of \$500.0 million.

Article/ Agency Number	Agency/Fund Name	2018-19 General Revenue- Dedicated Reduction	2018-19 General Revenue Reduction
Article I			
300	Trusted Programs Within the Office of the Governor	\$508,900	\$649,850
301	Office of the Governor	\$ -	\$19,500
302	Office of the Attorney General	\$349,950	\$1,068,800
303	Facilities Commission	\$28,050	\$422,950
304	Comptroller of Public Accounts	\$ -	\$2,091,250
902	Comptroller - State Fiscal	\$ -	\$575,000
306	Library & Archives Commission	\$ -	\$236,250
307	Secretary of State	\$ -	\$249,250
326	Texas Emergency Services Retirement System	\$ -	\$23,000
338	Pension Review Board	\$ -	\$2,750
352	Bond Review Board	\$ -	\$4,500
356	Texas Ethics Commission	\$ -	\$34,000
403	Veterans Commission	\$ -	\$98,250
477	Commission on State Emergency Communications	\$123,750	\$ -
808	Historical Commission	\$2,850	\$198,900
809	Preservation Board	\$ -	\$210,750
813	Commission on the Arts	\$1,500	\$113,500

Article II			
529	Health and Human Services Commission	\$ -	\$450,219,750

530	Family and Protective Services, Department of	\$ -	\$ -
537	State Health Services, Department of	\$3,292,950	\$4,673,550
Article III			
506	The University of Texas M.D. Anderson Cancer Center	\$ -	\$67,000
555	Texas A&M Agrilife Extension Service	\$ -	\$35,250
556	Texas A&M Agrilife Research	\$ -	\$70,850
557	Texas A&M Veterinary Medical Diagnostic Laboratory	\$ -	\$23,500
576	Texas A&M Forest Service	\$ -	\$176,100
701	Texas Education Agency	\$ -	\$4,686,750
709	Texas A&M University System Health Science Center	\$ -	\$362,750
710	Texas A&M University System Administrative and General Offices	\$ -	\$2,500
711	Texas A&M University	\$ -	\$193,250
712	Texas A&M Engineering Experiment Station	\$ -	\$3,500
713	Tarleton State University	\$ -	\$13,250
714	The University of Texas at Arlington	\$ -	\$75,000
715	Prairie View A&M University	\$39,500	\$100,750
716	Texas A&M Engineering Extension Service	\$ -	\$2,000
717	Texas Southern University	\$ -	\$28,500
718	Texas A&M University at Galveston	\$1,400	\$7,100
719	Texas State Technical College System Administration	\$ -	\$162,000
720	The University of Texas System Administration	\$ -	\$27,000
721	The University of Texas at Austin	\$ -	\$320,500
723	The University of Texas Medical Branch at Galveston	\$ -	\$129,500
724	The University of Texas at El Paso	\$ -	\$9,750
727	Texas A&M Transportation Institute	\$ -	\$4,500
729	The University of Texas Southwestern Medical Center	\$ -	\$2,750
730	University of Houston	\$ -	\$144,750
731	Texas Woman's University	\$ -	\$45,250
732	Texas A&M University - Kingsville	\$ -	\$34,250
733	Texas Tech University	\$ -	\$119,500
734	Lamar University	\$ -	\$72,500
735	Midwestern State University	\$ -	\$19,500
737	Angelo State University	\$ -	\$29,250
738	The University of Texas at Dallas	\$ -	\$5,500
739	Texas Tech University Health Sciences Center	\$ -	\$153,250
741	Sul Ross State University Rio Grande College	\$ -	\$2,500
742	The University of Texas of the Permian Basin	\$ -	\$10,000
743	The University of Texas at San Antonio	\$ -	\$9,250
744	The University of Texas Health Science Center at Houston	\$ -	\$15,500
745	The University of Texas Health Science Center at San Antonio	\$ -	\$38,250
746	The University of Texas Rio Grande Valley	\$ -	\$2,500
749	Texas A&M University - San Antonio	\$ -	\$28,750
750	The University of Texas at Tyler	\$ -	\$3,250
751	Texas A&M University - Commerce	\$ -	\$31,500
752	University of North Texas	\$ -	\$100,000
753	Sam Houston State University	\$ -	\$55,250
754	Texas State University	\$ -	\$115,500
755	Stephen F. Austin State University	\$ -	\$28,250
756	Sul Ross State University	\$ -	\$15,250
757	West Texas A&M University	\$ -	\$32,750
758	Texas State University System	\$ -	\$500
759	University of Houston - Clear Lake	\$ -	\$19,250
760	Texas A&M University - Copus Christi	\$ -	\$49,750
761	Texas A&M International University	\$ -	\$22,250
763	University of North Texas Health Science Center at Fort Worth	\$ -	\$110,000
764	Texas A&M University - Texarkana	\$ -	\$38,000
765	University of Houston - Victoria	\$ -	\$18,750
768	Texas Tech University System Administration	\$ -	\$500
769	University of North Texas System Administration	\$ -	\$500

770	Texas A&M University - Central Texas	\$ -	\$48,250
771	School for the Blind and Visually Impaired	\$ -	\$30,900
772	School for the Deaf	\$ -	\$77,500
773	University of North Texas at Dallas	\$ -	\$11,500
774	Texas Tech University Health Sciences Center at El Paso	\$ -	\$2,500
781	Higher Education Coordinating Board	\$ -	\$116,000
783	University of Houston System Administration	\$ -	\$30,250
784	University of Houston - Downtown	\$ -	\$29,250
785	The University of Texas Health Science Center at Tyler	\$ -	\$138,500
787	Lamar State College - Orange	\$ -	\$24,500
788	Lamar State College - Port Arthur	\$ -	\$7,250
789	Lamar Institute of Technology	\$ -	\$31,000

Article IV

201	Supreme Court of Texas	\$ -	\$526,000
212	Office of Court Administration, Texas Judicial Council	\$50,950	\$18,050
213	Office of the State Prosecuting Attorney	\$ -	\$250
215	Office of Capital and Forensic Writs	\$4,750	\$ -
234	Fourteenth Court of Appeals District, Houston	\$ -	\$1,250
243	State Law Library	\$ -	\$6,000
243	State Law Library	\$ -	\$6,000
212	Office of Court Administration, Texas Judicial Council	\$ -	\$69,000
221	First Court of Appeals District, Houston	\$ -	\$1,300
222	Second Court of Appeals District, Fort Worth	\$ -	\$1,300
223	Third Court of Appeals District, Austin	\$ -	\$1,300
224	Fourth Court of Appeals District, San Antonio	\$ -	\$1,300
225	Fifth Court of Appeals District, Dallas	\$ -	\$1,300
226	Sixth Court of Appeals District, Texarkana	\$ -	\$1,300
227	Seventh Court of Appeals District, Amarillo	\$ -	\$1,300
228	Eighth Court of Appeals District, El Paso	\$ -	\$1,300
229	Ninth Court of Appeals District, Beaumont	\$ -	\$1,300
230	Tenth Court of Appeals District, Waco	\$ -	\$1,300
231	Eleventh Court of Appeals District, Eastland	\$ -	\$1,300
232	Twelfth Court of Appeals District, Tyler	\$ -	\$1,300
233	Thirteenth Court of Appeals District, Corpus Christi-Edinburg	\$ -	\$1,300
234	Fourteenth Court of Appeals District, Houston	\$ -	\$1,300
242	State Commission on Judicial Conduct	\$ -	\$1,250
243	State Law Library	\$ -	\$6,000

Article V

401	Military Department	\$ -	\$188,000
405	Department of Public Safety	\$ -	\$5,031,000
407	Commission on Law Enforcement	\$12,000	\$ -
409	Commission on Jail Standards	\$ -	\$2,000
411	Commission on Fire Protection	\$ -	\$5,000
458	Alcoholic Beverage Commission	\$ -	\$187,500
644	Juvenile Justice Department	\$ -	\$766,250
696	Department of Criminal Justice	\$ -	\$1,000,000

Article VI

305	General Land Office and Veterans' Land Board	\$202,100	\$716,450
455	Railroad Commission	\$789,200	\$97,050
535	Low-level Radioactive Waste Disposal Compact Commission	\$12,250	\$ -
551	Department of Agriculture	\$ -	\$1,393,500
554	Animal Health Commission	\$ -	\$60,500
580	Water Development Board	\$ -	\$478,000
582	Commission on Environmental Quality	\$2,207,100	\$55,350
592	Soil and Water Conservation Board	\$ -	\$223,750
802	Parks and Wildlife Department	\$1,179,000	\$745,250

Article VII

320	Texas Workforce Commission	\$138,750	\$4,236,750
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332	Department of Housing and Community Affairs	\$ -	\$219,500
362	Texas Lottery Commission	\$4,685,500	\$314,500
601	Department of Transportation	\$ -	\$48,250
608	Department of Motor Vehicles	\$ -	\$109,750

Article VIII

312	Securities Board	\$ -	\$9,500
359	Office of Public Insurance Counsel	\$ -	\$1,750
360	State Office of Administrative Hearings	\$ -	\$8,750
448	Office of Injured Employee Counsel	\$4,500	\$ -
452	Department of Licensing and Regulation	\$ -	\$71,250
454	Department of Insurance	\$119,850	\$80,150
456	Board of Plumbing Examiners	\$ -	\$9,750
464	Board of Professional Land Surveying	\$ -	\$750
473	Public Utility Commission of Texas	\$1,550	\$7,950
475	Office of Public Utility Counsel	\$1,350	\$4,400
476	Racing Commission	\$13,250	\$ -
481	Board of Professional Geoscientists	\$ -	\$2,500
503	Texas Medical Board	\$18,700	\$53,050
504	Texas State Board of Dental Examiners	\$ -	\$13,250
507	Texas Board of Nursing	\$ -	\$66,000
508	Board of Chiropractic Examiners	\$ -	\$1,500
512	Board of Podiatric Medical Examiners	\$ -	\$1,000
513	Funeral Service Commission	\$ -	\$1,250
514	Optometry Board	\$ -	\$1,500
515	Board of Pharmacy	\$ -	\$27,250
520	Board of Examiners of Psychologists	\$ -	\$1,500
533	Executive Council of Physical Therapy & Occupational Therapy Examiners	\$ -	\$1,750
578	Board of Veterinary Medical Examiners	\$ -	\$2,750

Total Savings:

\$13,786,800	\$486,213,200
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