

## **BILL ANALYSIS**

Senate Research Center

H.B. 1025  
By: Pitts (Williams)  
Finance  
5/16/2013  
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 in the construction of the General Appropriations Act.

H.B. 1025 addresses making supplemental appropriations and giving direction and adjustment authority regarding certain appropriations. The bill makes adjustments to appropriations to various agencies over various periods to address revised revenue estimates and supplemental needs.

H.B. 1025 amends current law relating to making supplemental appropriations and reductions in 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: TEXAS PUBLIC FINANCE AUTHORITY.** Provides that the unencumbered appropriations from undedicated or dedicated portions of the general revenue fund to the Texas Public Finance Authority (TPFA) for use during the state fiscal biennium ending August 31, 2013, for bond debt service payments made by Chapter 1355 (H.B. 1) (General Appropriations Act), Acts of the 82nd Legislature, Regular Session, 2011, including appropriations authorized under Rider 2 to the bill pattern of the appropriations to the authority, are reduced by a total aggregate reduction of \$22,601,012. Requires TPFA to identify the strategies and objectives out of which the indicated reduction is to be made.

**SECTION 2. TEXAS DEPARTMENT OF TRANSPORTATION: ROAD REPAIRS IN ENERGY SECTORS.** Authorizes an amount of \$110,000,000 of unencumbered appropriations from the general revenue fund to the Texas Department of Transportation (TxDOT) for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy G.1.1, General Obligation Bonds, is appropriated to TxDOT for the two-year period beginning on the effective date of this Act for the purposes for which amounts appropriated by that Act to TxDOT for Strategy C.1.2, New Maintenance Contracts, to be used, including repairs to roadways and bridges for damage caused by oversized vehicles or overweight loads used in the development and production of energy or by above normal usage of roadways and bridges by vehicles used in the development and production of energy. Requires that not less than 50 percent of the money appropriated to TxDOT under this section be distributed to counties in oil and gas production regions for the purpose of maintaining and repairing roads affected by increased energy production activities.

**SECTION 3. APPROPRIATION REDUCTION: DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING GENERAL OBLIGATION WATER BONDS.** Provides that the unencumbered appropriations from the general revenue fund to the Texas Water Development Board (TWDB)

for Debt Service Payments for Non-Self Supporting G.O. Water Bonds for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, are reduced by the following amounts:

- (1) \$2,263,813 from Strategy A.1.1, EDAP Debt Service; and
- (2) \$5,271,541 from Strategy A.1.3, WIF Debt Service.

**SECTION 4. APPROPRIATION REDUCTION: DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES.** Provides that the unencumbered appropriations from the general revenue fund to the Department of Family and Protective Services (DFPS) for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy B.1.11, Foster Care Payments, are reduced by the amount of \$11,489,949.

**SECTION 5. APPROPRIATION REDUCTION: HEALTH AND HUMAN SERVICES COMMISSION.** Provides that the unencumbered appropriations from the general revenue fund to the Health and Human Services Commission (HHSC) for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy D.1.1, TANF (Cash Assistance) Grants, are reduced by the amount of \$2,330,351.

**SECTION 6. APPROPRIATION REDUCTION: HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS.** Provides that the unencumbered appropriations from the general revenue fund to the Higher Education Employees Group Insurance Contributions for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy A.1.11, UT Medical - Galveston, are reduced by the amount of \$1,400,437.

**SECTION 7. APPROPRIATION REDUCTION: UNIVERSITY OF TEXAS AT AUSTIN.** Provides that the unencumbered appropriations from the general revenue fund to the University of Texas at Austin for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy C.4.1, Institutional Enhancement, are reduced by the amount of \$2,000,000.

**SECTION 8. APPROPRIATION REDUCTION: UNIVERSITY OF TEXAS AT DALLAS.** Provides that the unencumbered appropriations from the general revenue fund to the University of Texas at Dallas for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy A.1.1, Operations Support, are reduced by the amount of \$890,622.

**SECTION 9. APPROPRIATION REDUCTION: TEXAS A&M AGRILIFE RESEARCH.** Provides that the unencumbered appropriations from general revenue account number 151, Clean Air, to Texas A&M AgriLife Research for use during the state fiscal biennium ending August 31, 2013, by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Strategy A.1.1, Agricultural/Life Sciences Research, are reduced by the amount of \$12,500.

**SECTION 10. FACILITIES COMMISSION: UTILITY COSTS.** (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,400,000 is appropriated out of the general revenue fund to the Texas Facilities Commission (TFC) for Strategy B.2.1, Facilities Operation, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, 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 from being used by TFC for a purpose other than payment of utility expenses without the prior written approval of the Legislative Budget Board (LBB).

SECTION 11. VETERANS COMMISSION: STRIKE FORCE TEAMS; REPAYMENT OF DEFICIENCY. (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,546,003 is appropriated out of the general revenue fund to the Texas Veterans Commission (TVC) for the state fiscal year ending August 31, 2013, for the purpose of creating two state strike force teams to address the backlog of claims in Houston and Waco and to hire additional counselors to be located in hospitals and clinics operated by the United States Department of Veterans Affairs.

(b) Authorizes TVC by other law, in addition to the number of full-time equivalent employees (FTEs), to employ during the state fiscal year ending August 31, 2013, an additional 16.0 FTEs during that state fiscal year.

(c) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$500,000 is appropriated out of the general revenue fund to TVC for the state fiscal year ending August 31, 2013, for the purpose of repaying a deficiency grant made under Section 403.075 (Deficiencies), Government Code.

SECTION 12. UNIVERSITY OF HOUSTON - CLEAR LAKE. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$200,000 is appropriated out of the general revenue fund to the University of Houston - Clear Lake for Strategy A.1.4, Workers' Compensation Insurance, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for the state fiscal year ending August 31, 2013, for the purpose of current operations.

SECTION 13. UNIVERSITY OF HOUSTON: TEXAS OPTOMETRY CAREER OPPORTUNITIES PROGRAM. Authorizes the University of Houston, out of the unspent and unencumbered balance of general revenue fund appropriations made to the University of Houston for the state fiscal biennium ending August 31, 2013, to allocate and use any donations, gifts, or endowments received by the University of Houston, for the establishment and operation of the Texas Optometry Career Opportunities Program.

SECTION 14. TEXAS A&M ENGINEERING EXTENSION SERVICE. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,678,703 is appropriated out of the general revenue fund to the Texas A&M Engineering Extension Service for the state fiscal year ending August 31, 2013, for the purpose of reimbursing the agency for state-directed deployments for natural disasters.

SECTION 15. TEXAS A&M AGRILIFE RESEARCH. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$162,500 is appropriated out of the general revenue fund to Texas A&M AgriLife Research for the state fiscal year ending August 31, 2013, for the purpose of current operations.

SECTION 16. JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$475,000 is appropriated out of the general revenue fund to the Judiciary Section, Comptroller's Department, for Strategy D.1.8, Juror Pay, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for the state fiscal year ending August 31, 2013, for the purpose of reimbursing the agency for a transfer to Strategy D.1.10, Indigent Inmate Defense, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, to cover costs of providing legal representation for an inmate in a capital murder trial.

SECTION 17. DEPARTMENT OF CRIMINAL JUSTICE: CORRECTIONAL MANAGED HEALTH CARE. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$39,000,000 is appropriated out of the general revenue fund to the Texas Department of Criminal Justice (TDCJ) for the state fiscal year ending August 31, 2013, for the purpose of providing for correctional managed health care.

SECTION 18. COMMISSION ON ENVIRONMENTAL QUALITY: ELEPHANT BUTTE LITIGATION EXPENSES. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$500,000 is appropriated out of general revenue account number 153, Water Resource Management, to the Texas Commission on Environmental Quality (TCEQ) for the two-year period beginning on the effective date of this Act for the purpose of paying for Elephant Butte litigation expenses.

SECTION 19. PARKS AND WILDLIFE DEPARTMENT: REVENUE SHORTFALL. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$889,000 is appropriated out of the general revenue fund to the Texas Parks and Wildlife Department (TPWD) for the two-year period beginning on the effective date of this Act for the purpose of providing for state park operations as a result of a revenue shortfall.

SECTION 20. LIBRARY AND ARCHIVES COMMISSION: DIRECTOR-LIBRARIAN SALARY. (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$35,500 is appropriated out of the general revenue fund to the Texas State Library and Archives Commission (TSLAC) for the fiscal year ending August 31, 2013, for the purpose of providing a salary rate increase for the Director-Librarian.

(b) Provides that, notwithstanding the rate of salary in the bill pattern of TSLAC in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, the rate of salary for the Director-Librarian is \$140,000 for the state fiscal year ending August 31, 2013.

SECTION 21. TEXAS A&M FOREST SERVICE: APPROPRIATIONS FOR GENERAL COSTS CAUSED BY WILDFIRES. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$161,065,711 is appropriated out of the economic stabilization fund to the Texas A&M Forest Service for the state fiscal year ending August 31, 2013, for the purpose of paying for, or reimbursing payments made for, costs incurred by the Texas A&M Forest Service associated with wildfires.

SECTION 22. DEPARTMENT OF PUBLIC SAFETY: APPROPRIATIONS FOR GENERAL COSTS CAUSED BY WILDFIRES. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$2,700,000 is appropriated out of the economic stabilization fund to the Texas Department of Public Safety (DPS) for the state fiscal year ending August 31, 2013, for the purpose of paying for, or reimbursing payments made for, costs incurred by DPS associated with wildfires.

SECTION 23. PARKS AND WILDLIFE DEPARTMENT: APPROPRIATIONS FOR COSTS CAUSED BY WILDFIRES AT THE BASTROP STATE PARK AND BASTROP REGIONAL PARK OFFICE. Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$4,892,440 is appropriated out of the economic stabilization fund to TPWD for the two-year period beginning on the effective date of this Act for the purpose of paying for, or reimbursing payments made for, costs incurred by TPWD associated with wildfires that occurred at the Bastrop State Park and Bastrop regional park office.

SECTION 24. RAILROAD COMMISSION: INFORMATION TECHNOLOGY MODERNIZATION. (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$16,711,989 is appropriated out of general revenue dedicated account number 5155, Oil and Gas Regulation and Cleanup Account, to the Railroad Commission of Texas (railroad commission) for the two-year period beginning on the effective date of this Act for the purpose of modernization of information technology.

(b) Authorizes the railroad commission, in addition to the number of full-time equivalent employees (FTEs) the railroad commission is authorized by other law to employ during the two-year period beginning on the effective date of this Act, to employ an additional 11.0 FTEs in each of those years.

**SECTION 25. DEPARTMENT OF STATE HEALTH SERVICES: DISPROPORTIONATE SHARE HOSPITAL PROGRAM.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$170,000,000 is appropriated out of general revenue dedicated account number 5111, Trauma Facility and EMS Account, to the Department of State Health Services (DSHS) for the state fiscal year ending August 31, 2013, for the purpose of entering into an interagency contract to transfer money from that account from DSHS to the Texas Health and Human Services Commission (HHSC) to provide for the non-federal share for the Medicaid disproportionate share hospital program.

**SECTION 26. TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR: DISASTER RECOVERY.** (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the following amounts are appropriated out of the economic stabilization fund to the Trusteed Programs within the Office of the Governor (governor's office) for the two-year period beginning on the effective date of this Act for purposes of wildfire recovery, remediation, and mitigation activities related to wildfires in Bastrop, Cass, and Marion Counties:

(1) \$4,398,000 to address the needed repair and rehabilitation of roads, bridges, culverts, and parks, and to complete hazardous debris removal and fire risk-mitigation activities in Bastrop County; and

(2) an amount not to exceed \$1,000,000 for reimbursements to responders for work related to the Bear Creek wildfires in Cass and Marion Counties.

(b) Requires that money appropriated by this section be allocated to specific projects to maximize the receipt of federal money available for similar purposes. Prohibits money appropriated by this section from being spent on activities conducted on private property.

**SECTION 27. TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR: DISASTER RECOVERY FOR WEST, TEXAS.** Requires the Trusteed Programs within the governor's office, out of funds appropriated to the Trusteed Programs within the governor's office for the state fiscal biennium ending August 31, 2013, in Strategy A.1.2, Disaster Funds, to prioritize \$2,000,000 out of general revenue funds for disaster recovery efforts in West, Texas.

**SECTION 28. TEXAS EDUCATION AGENCY: FOUNDATION SCHOOL PROGRAM.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$500,000,000 is appropriated out of general revenue account number 193, Foundation School Fund, to the Texas Education Agency (TEA) for Strategy A.1.1, FSP - Equalized Operations, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for the state fiscal year ending August 31, 2013, for the purpose of making payments to independent school districts and charter schools eligible for funding through the Foundation School Program. Requires that money appropriated by this section be distributed in an equal amount per student in weighted average daily attendance (WADA) in eligible districts or charter schools for school year 2012-2013 in an amount not to exceed \$72.50 per WADA. Provides that it is the intent of the legislature that the amount of money appropriated by this section is in addition to the amount of money required to fully fund entitlement under the Foundation School Program.

**SECTION 29. HIGHER EDUCATION COORDINATING BOARD: TEXAS RESEARCH INCENTIVE PROGRAM.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$34,500,000 is appropriated out of the general revenue fund to the Texas Higher Education Coordinating Board (THECB) for Strategy B.1.16, Texas Research Incentive Program, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for the two-year period beginning on the effective date of this Act, for the purpose of distributing money to emerging research universities based on a match for certain private donations.

**SECTION 30. DEPARTMENT OF CRIMINAL JUSTICE: JONES COUNTY CORRECTIONAL FACILITY.** (a) Provides that, in addition to amounts previously

appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$19,500,000 is appropriated out of the general revenue fund to TDCJ for Strategy D.1.2, Lease-Purchase of Facilities, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for the two-year period beginning on the effective date of this Act, for the purpose of purchasing a correctional facility located in Jones County.

(b) Prohibits money appropriated by this section from being used by TDCJ for a purpose other than purchasing a correctional facility located in Jones County without the prior written approval of LBB.

**SECTION 31. DEPARTMENT OF AGRICULTURE: ACCESS TO HEALTHY FOOD GRANT PROGRAM.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$10,000,000 is appropriated out of the general revenue fund to the Texas Department of Agriculture (TDA) for Strategy D.2.1, Nutrition Assistance, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for the two-year period beginning on the effective date of this Act for the purpose of sourcing healthy food by Texas food banks for distribution in food deserts and other underserved communities.

**SECTION 32. JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT: REVENUE SHORTFALL.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, an amount (estimated to be \$7,495,137) is appropriated out of the general revenue fund to the Judiciary Section, Comptroller's Department, for Strategy A.1.1, District Judges, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for the state fiscal year ending August 31, 2013, for the purpose of paying salaries for district judges and prosecuting attorneys.

**SECTION 33. TEXAS EDUCATION AGENCY: DATA CENTER SERVICES.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$517,000 is appropriated out of the general revenue fund to TEA for Strategy B.3.5, Information Systems - Technology, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for the state fiscal year ending August 31, 2013, for the purpose of costs related to data center services.

**SECTION 34. PARKS AND WILDLIFE DEPARTMENT: CEDAR BAYOU RESTORATION.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$7,000,000 is appropriated out of general revenue dedicated account number 9, Game, Fish, and Water Safety, to TPWD for Strategy A.2.3, Coastal Fisheries Management, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for the two-year period beginning on the effective date of this Act, for the purpose of the Cedar Bayou Restoration Project in Aransas County.

**SECTION 35. HIGHER EDUCATING COORDINATING BOARD: GRADUATE MEDICAL EDUCATION EXPANSION.** (a) Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$17,000,000 is appropriated out of the general revenue fund to THECB for the two-year period beginning on the effective date of this Act for the purpose of expansion of first-year residency positions. Requires that money appropriated by this section be allocated as provided by this section.

(b) Requires that a portion of the money appropriated under this section be used to provide funding for one-time planning grants of \$150,000 each to entities that do not currently operate, and have not previously operated, a graduate medical education (GME) program and are therefore eligible for Medicare GME funding. Provides that the grants described by this subsection are intended to provide support for those entities to establish GME programs in order to increase the number of first-year residency positions in this state. Requires that the application for a grant described by this subsection be submitted to THECB on or before July 15 of each year, and requires THECB to determine the grant recipients on or before August 15 of each year. Requires that the grants be awarded based on a competitive application process. Prohibits more than 15 planning grants from being awarded in the state fiscal year ending August 31, 2013, unless additional money is

made available as provided by Subsection (f) of this section. Provides that an entity that receives a grant under this subsection, becomes accredited, and fills residency positions is eligible to apply for the grants provided under Subsections (c) and (d) of this section, but is prohibited from receiving more than \$35,000 per resident.

(c) Requires that a portion of the money appropriated under this section be used to provide grants of \$65,000 per resident to currently accredited GME programs for the purpose of filling currently accredited but unfilled first-year residency positions. Provides that the grants described by this subsection are intended to assist the applicants by providing money to pay for direct resident costs, including resident stipends and benefits. Requires that an application for a grant described by this subsection be made by submitting to THECB proof of the number of accredited but unfilled positions in the applicant's program on or before October 1 of each year, and requires THECB to determine the grant recipients on or before January 1 of the following year. Authorizes THECB to disburse the money to the applicant only after the applicant verifies with THECB that the residency position has been filled. Requires that an applicant awarded a grant under this subsection in the state fiscal year ending August 31, 2014, receive an equivalent grant in the state fiscal year ending August 31, 2015.

(d) Requires that a portion of the money appropriated under this section be used to provide grants of \$65,000 per resident to currently accredited GME programs to provide support to expand existing or establish new GME programs with first-year residency positions. Provides that the grants described by this subsection are intended to assist the applicants by providing money to pay for direct resident costs, including resident stipends and benefits. Requires that an application for a grant described by this subsection be made by submitting a plan for receiving accreditation for the expanded or new GME program to THECB on or before October 1 of each year, and requires THECB to determine the grant recipients on or before January 1 of the following year. Authorizes THECB to disburse the money to the applicant only after the applicant verifies with THECB that a residency position created by the expanded or new GME program has been filled. Requires that an applicant awarded a grant under this subsection in the state fiscal year ending August 31, 2014, receive an equivalent grant in the state fiscal year ending August 31, 2015.

(e) Prohibits THECB from awarding more than 50 grants described by Subsections (c) and (d) of this section in the state fiscal year ending August 31, 2014, and more than 175 grants described by Subsections (c) and (d) of this section in the state fiscal year ending August 31, 2015. Authorizes THECB, if the number of applications for grants described by Subsections (c) and (d) of this section exceeds the limitation on the number of awards established by this subsection, to give priority for up to 50 percent of the additional 125 grants available in the state fiscal year ending August 31, 2015, to be awarded to first-year positions in primary care and other critical shortage areas in this state. Prohibits THECB from reducing the amount of a grant under this section, but THECB is authorized to reduce the number of first-year positions funded to each grant recipient on a pro rata basis.

(f) Authorizes THECB to adjust the number of planning grants authorized under Subsection (b) of this section so that the entire appropriation to THECB is spent, if THECB determines, based on the number of applications for grants described by Subsections (c) and (d) of this section received by THECB by October 2014, that the entire appropriation made by Subsection (a) of this section will not be used.

**SECTION 36. APPROPRIATIONS TO INSTITUTIONS OF HIGHER EDUCATION: HAZLEWOOD EXEMPTION.** Provides that, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, to the listed institutions of higher education, the following amounts are appropriated out of the general revenue fund for the two-year period beginning on the effective date of this Act for the purpose of funding the proportionate share of the total cost to each institution for the Hazlewood exemption, for a total aggregate amount of \$30,000,000:

- (1) The University of Texas at Arlington: \$1,406,701;
- (2) The University of Texas at Austin: \$1,736,342;
- (3) The University of Texas at Dallas: \$702,122;
- (4) The University of Texas at El Paso: \$696,939;
- (5) The University of Texas--Pan American: \$419,271;
- (6) The University of Texas at Brownsville: \$153,017;
- (7) The University of Texas of the Permian Basin: \$66,965;
- (8) The University of Texas at San Antonio: \$1,919,554;
- (9) The University of Texas at Tyler: \$300,676;
- (10) Texas A&M University: \$2,435,829;
- (11) Texas A&M University at Galveston: \$140,041;
- (12) Prairie View A&M University: \$361,931;
- (13) Tarleton State University: \$403,137;
- (14) Texas A&M University--Central Texas: \$139,830;
- (15) Texas A&M University--Corpus Christi: \$694,591;
- (16) Texas A&M University--Kingsville: \$326,371;
- (17) Texas A&M University--San Antonio: \$170,885;
- (18) Texas A&M International University: \$112,013;
- (19) West Texas A&M University: \$279,756;
- (20) Texas A&M University--Commerce: \$500,167;
- (21) Texas A&M University--Texarkana: \$31,056;
- (22) University of Houston: \$1,267,175;
- (23) University of Houston--Clear Lake: \$247,905;
- (24) University of Houston--Downtown: \$205,693;
- (25) University of Houston--Victoria: \$114,415;
- (26) Midwestern State University: \$266,493;
- (27) University of North Texas: \$1,450,907;
- (28) University of North Texas at Dallas: \$41,972;
- (29) Stephen F. Austin State University: \$507,780;
- (30) Texas Southern University: \$302,845;

- (31) Texas Tech University: \$1,902,362;
- (32) Angelo State University: \$333,676;
- (33) Texas Woman's University: \$315,905;
- (34) Lamar University: \$617,129;
- (35) Lamar Institute of Technology: \$58,752;
- (36) Lamar State College--Orange: \$23,384;
- (37) Lamar State College--Port Arthur: \$24,590;
- (38) Sam Houston State University: \$956,335;
- (39) Texas State University--San Marcos: \$2,513,969;
- (40) Sul Ross State University: \$60,784;
- (41) The University of Texas Southwestern Medical Center at Dallas: \$30,812;
- (42) The University of Texas Medical Branch at Galveston: \$86,039;
- (43) The University of Texas Health Science Center at Houston: \$29,079;
- (44) The University of Texas Health Science Center at San Antonio: \$177,640;
- (45) The University of Texas M. D. Anderson Cancer Center: \$2,784;
- (46) Texas A&M University System Health Science Center: \$112,525;
- (47) University of North Texas Health Science Center at Fort Worth: \$51,072;
- (48) Texas Tech University Health Sciences Center: \$201,985;
- (49) Texas State Technical College--Harlingen: \$100,011;
- (50) Texas State Technical College--West Texas: \$15,969;
- (51) Texas State Technical College--Marshall: \$16,746;
- (52) Texas State Technical College--Waco: \$121,812;
- (53) Alamo Community College District: \$335,530;
- (54) Alvin Community College: \$40,839;
- (55) Amarillo College: \$129,144;
- (56) Angelina College: \$17,865;
- (57) Austin Community College: \$621,188;
- (58) Blinn College: \$158,713;
- (59) Brazosport College: \$26,463;
- (60) Central Texas College: \$80,575;

- (61) Cisco Junior College: \$34,473;
- (62) Clarendon College: \$8,088;
- (63) Coastal Bend College: \$32,958;
- (64) College of the Mainland Community College District: \$21,115;
- (65) Collin County Community College District: \$43,143;
- (66) Dallas County Community College District: \$106,489;
- (67) Del Mar College: \$239,923;
- (68) El Paso Community College District: \$340,197;
- (69) Frank Phillips College: \$4,153;
- (70) Galveston College: \$9,593;
- (71) Grayson County College: \$28,976;
- (72) Hill College: \$26,577;
- (73) Houston Community College: \$235,719;
- (74) Howard College: \$24,419;
- (75) Kilgore College: \$60,438;
- (76) Laredo Community College: \$60,203;
- (77) Lee College: \$31,006;
- (78) Lone Star College System District: \$243,510;
- (79) McLennan Community College: \$92,399;
- (80) Midland College: \$32,895;
- (81) Navarro College: \$401,058;
- (82) North Central Texas College: \$41,066;
- (83) Northeast Texas Community College: \$23,887;
- (84) Odessa College: \$19,382;
- (85) Panola College: \$13,630;
- (86) Paris Junior College: \$27,678;
- (87) Ranger College: \$12,154;
- (88) San Jacinto College: \$120,361;
- (89) South Plains College: \$122,024;
- (90) South Texas College: \$115,340;

- (91) Southwest Texas Junior College: \$23,068;
- (92) Tarrant County College District: \$117,020;
- (93) Temple College: \$128,794;
- (94) Texarkana College: \$16,682;
- (95) Texas Southmost College: \$179,695;
- (96) Trinity Valley Community College: \$50,349;
- (97) Tyler Junior College: \$128,796;
- (98) Vernon College: \$46,291;
- (99) Victoria College: \$66,232;
- (100) Weatherford College: \$30,136;
- (101) Western Texas College: \$18,174; and
- (102) Wharton County Junior College: \$55,853.

**SECTION 37. HEALTH AND HUMAN SERVICES COMMISSION: REIMBURSEMENT OF AMBULANCE SERVICE PROVIDERS UNDER MEDICAID PROGRAM.** Requires HHSC, out of the unencumbered appropriations from the general revenue fund to HHSC for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, for Goal A, HHS Enterprise Oversight and Policy, to use the amount necessary, but is prohibited from exceeding \$8,904,983, to pay Medicaid program claims for Medicare deductibles and coinsurance for ambulance services provided to individuals who are dually eligible under both the Medicare and Medicaid programs as required under Section 32.050(c) (relating to requiring the medical assistance program to pay the Medicare deductibles and coinsurance for an ambulance service provided to an individual who is eligible under the medical assistance program and Medicare), Human Resources Code.

**SECTION 38. HEALTH AND HUMAN SERVICES COMMISSION: CERTAIN RIDERS.** Repeals Rider 26 to the bill pattern of the appropriations to HHSC in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, and provides that HHSC is not required to comply with that rider on and after the effective date of this Act.

**SECTION 39. BENEFITS PAID PROPORTIONAL BY FUND.** (a) Provides that this section applies to each item of appropriation made by this Act.

(b) Requires that payment for benefits paid from funds appropriated by this Act, including "local funds" and "educational and general funds," as those terms are defined by Sections 51.009(a) (defining "local funds" and requiring that these funds be accounted for as "educational and general funds" in a manner recommended by certain entities) and (c), Education Code, be proportional to the source of the funds except for payments for higher education employees group insurance contributions for public community or junior colleges, in order to maximize balances in the general revenue fund.

(c) Prohibits money appropriated by this Act out of the general revenue fund from being used to pay employee benefit costs or other indirect costs associated with the payment of salaries or wages of employees if the salaries or wages are paid from a source other than the general revenue fund. Authorizes a public community or junior college to spend money appropriated by this Act for employee benefit costs for any employee who is eligible to participate in an offered group benefits program and is an instructional or administrative employee whose entire salary is authorized to be paid from money appropriated by this Act, regardless of whether the salary is actually paid by that money.

Requires that payments for employee benefit costs associated with salaries and wages paid from sources other than the general revenue fund, including payments received under interagency agreement or as contract receipts, be made in proportion to the source of the funds from which the salary or wage is paid. Requires that the general revenue fund, if the comptroller of public accounts of the State of Texas (comptroller) determines that achieving proportionality as required by this section at the time a payment is made is impractical or inefficient, be reimbursed for any payment of employee benefit costs made out of the general revenue fund.

(d) Requires a state agency or institution of higher education that receives an appropriation by this Act from the general revenue fund or any other source of financing to file with the comptroller and the state auditor a report demonstrating proportionality. Provides that the report is due on November 20th of each year and is required to cover the state fiscal year ending on August 31st of the year in which the report is due. Requires that the report be in the format prescribed by the comptroller, LBB, and the Office of the State Auditor (SAO). Authorizes SAO to audit a state agency's or institution's compliance with this section if the agency or institution is appropriated money by this Act. Requires SAO to notify the comptroller of any amount disproportionately paid from general revenue fund appropriations. Requires the comptroller, on receipt of that notice, to reduce the state agency's or institution's current year general revenue fund appropriations until the general revenue fund is reimbursed for the amounts disproportionately paid out of that fund.

**SECTION 40. REPORT REGARDING FEDERAL FUNDING OF STATE AGENCIES.** Provides that it is the intent of the legislature that not later than November 20, 2013, for the state fiscal year ending August 31, 2013, and November 20, 2014, for the state fiscal year ending August 31, 2014, to require a state agency receiving appropriations under this Act or Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011, to submit a report explaining the amount of federal funding the agency uses to fund agency operations to the governor, the comptroller, the Legislative Reference Library (LRL), SAO, and LBB.

**SECTION 41. EFFECTIVE DATE.** (a) Effective date, subject to Subsection (b) of this section: upon passage.

(b) Provides that Sections 21, 22, 23, and 26 of this Act take effect only if this Act receives a vote of two-thirds of the members present in each house of the legislature, as provided by Section 49-g(m) (relating to authorizing the legislature to, by a two-thirds vote of the members present in each house, appropriate amounts from the economic stabilization fund at any time for any purpose), Article III, Texas Constitution.