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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 2/24/09  
**LAST UPDATED** 3/19/09     **HB** CS/2,3,4,5 and 6/aSFC

**SPONSOR** HAFC \_\_\_\_\_

**SHORT TITLE** General Appropriation Act of 2009     **SB** \_\_\_\_\_

**ANALYST** Fernandez

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$5,472,015.3	Recurring	General Fund (Sec. 4)
	\$2,711,522.5	Recurring	Other State Funds (Sec. 4)
	\$1,218,207.5	Recurring	Internal Service/Interagency Transfers (Sec. 4)
	\$5,554,979.6	Recurring	Federal Funds (Sec. 4)
\$25,226.0		Nonrecurring	General Fund (Sec. 5&6)
\$12,600.0		Nonrecurring	Appropriation Contingency Fund – Lock Box (Sec. 5) GF
\$3,000.0		Nonrecurring	Appropriation Contingency Fund – Lock Box (Sec. 5) OSF
\$8,224.5		Nonrecurring	General Fund - Computer Systems Enhancement Fund
\$8,704.0		Recurring	General Fund (Sec 5&6)
\$300.0		Recurring	Other State Funds (Sec 6)
\$4,340.4		Nonrecurring	Other State Funds (Sec. 5&6)
\$895.0		Nonrecurring	Supreme Court Automation Fund (Sec. 7)
\$8,224.5		Nonrecurring	Other State Funds-Computer Systems Enhancement Fund
\$9,736.5		Nonrecurring	Other State Funds (Sec. 7)
\$2,200.0		Nonrecurring	Employment Security Department Fund (Sec. 5&6)
\$790.3		Recurring	Internal Service/Interagency Transfers (Sec. 5)
\$393.0		Nonrecurring	Internal Service/Interagency Transfers (Sec. 6)
\$8,372.4		Nonrecurring	Federal Funds (Sec. 7)
\$47,217.4		Nonrecurring	Federal Funds (Sec 5&6)

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to House Bill 1

Conflicts with House Bill 13 and Senate Bill 406

## **SOURCES OF INFORMATION**

LFC Files

## **SUMMARY**

### Synopsis of SFC Amendments

The Senate Finance Committee Amendments strike Sections 3 through 10 and Section 12 in their entirety; replaces with new sections and adds a new section called “Transfer Authority”.

CSHB2 as amended by SFC along with HB1 include recurring general fund appropriations of \$5.488 billion for FY10. This FY10 appropriation is \$538 million, or nine percent, below the FY09 operating budget prior to adjustment in the 2009 solvency legislation. FY10 recurring appropriations are \$375 million, or 6.4 percent, below the FY09 adjusted operating budget. FY10 recurring appropriations are \$3.7 million greater than estimated FY10 recurring revenue which includes \$33 million from TRD’s “fair share” initiative and enforcement of fair market value for motor vehicle excise taxes.

SFC amendments to HB2 reduced Section 4, FY10 recurring General Fund appropriations by \$4.5 million and increased recurring appropriation by an equal amount. Reduction included \$700 thousand pursuant to the Student Choice Act, and reductions to weatherization and work study due to federal stimulus revenue, and shifts from general fund to other state funds for the state engineer. Increases include \$1 million for the state police and \$400 thousand for library services at Cultural Affairs.

Nonrecurring appropriations of \$50.5 million include an increase of \$8 million, including \$7 million for emergency funding for school districts from the appropriation contingency fund “lock box” and \$42 million of special and supplemental appropriations charged to FY09. For FY10, there are \$35 million of transfers to special revenue funds and a \$65 million transfer to the Appropriation Contingency Fund, part of General Fund reserves.

FY10 projected General Fund balances total \$570 million. The outlook for FY11 and FY12 is for projected revenue growth of around 5 percent allowing replacement of Federal stimulus funds while maintaining flat spending and reserves around 10 percent. This level of reserves is responsible given the continued uncertainty in the economy and energy markets.

SFC amendments distribute the \$42 million to state agencies, public schools and higher education institutions, and removed the contingency of HB854. If HB854 is not enacted the reductions to state agencies, public schools and higher education remain.

The appropriations contained in the amendment can be summarized as follows:

(dollars in thousands)

Agency	General Fund	Other State Funds	Internal Service Funds/InterAgency Trnsfrs	Federal Funds	Total
<b>SECTION 4 FY10 Operating Recurring:</b>					
Legislative	4,137.6	-	-	-	4,137.6
Judicial	210,392.2	17,651.5	9,713.0	2,227.1	239,983.8
General Control	199,260.6	407,071.6	876,029.9	17,916.2	1,500,278.3
Commerce & Industry	58,265.5	47,911.9	17,304.8	704.0	124,186.2
Agric., Enrgy & Ntrl Res	82,360.9	90,802.1	21,311.4	33,091.8	227,566.2
Health, Hospitals & Human Svcs	1,298,328.3	279,544.5	279,931.6	3,851,706.0	5,709,510.4
Public Safety	393,717.3	30,240.8	12,000.3	73,932.0	509,890.4
Transportation	-	446,684.8	-	359,516.4	806,201.2
Other Education	48,243.3	18,671.3	1,750.0	54,904.9	123,569.5
Higher Education	853,201.9	1,372,094.0	166.5	533,889.2	2,759,351.6
Public School Support	2,325,584.3	850.0	-	627,092.0	2,953,526.3
<b>Total Sec 4 Recurring</b>	<b>\$ 5,473,491.9</b>	<b>\$ 2,711,522.5</b>	<b>\$ 1,218,207.5</b>	<b>\$ 5,554,979.6</b>	<b>\$ 14,958,201.5</b>
<b>Recurring: Appropriation Reductions</b>					
Public Property/Liability Rates	(1,216.1)	-	-	-	(1,216.1)
Legislative PERA Emp/Employer Shift	(146.0)	-	-	-	(146.0)
Legislative Vacancy Rate	(114.5)	-	-	-	(114.5)
	<b>\$ (1,476.6)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,476.6)</b>
<b>TOTAL RECURRING</b>	<b>\$ 5,472,015.3</b>	<b>\$ 2,711,522.5</b>	<b>\$ 1,218,207.5</b>	<b>\$ 5,554,979.6</b>	<b>\$ 14,956,724.9</b>
<b>Recurring: Sections 5&amp;6</b>					
Specials	3,750.0	-	790.3	-	4,540.3
Supplemental	4,954.0	300.0	-	-	5,254.0
<b>Total Recurring</b>	<b>8,704.0</b>	<b>300.0</b>	<b>790.3</b>	<b>-</b>	<b>\$ 9,794.3</b>
<b>Nonrecurring: Sections 5, 6 &amp; 7</b>					
Specials	7,666.5	5,140.4	-	34,706.0	47,512.9
Computer Systems Enhancement Fund	8,224.5	-	-	-	8,224.5
Specials - Education Lock Box	12,600.0	3,000.0	-	-	15,600.0
Data Processing	-	18,856.0	-	8,372.4	27,228.4
Supplemental & Deficiency	16,409.5	1,400.0	393.0	12,511.4	30,713.9
<b>Total Nonrecurring</b>	<b>\$ 44,900.5</b>	<b>28,396.4</b>	<b>393.0</b>	<b>55,589.8</b>	<b>\$ 129,279.7</b>

Synopsis of Original Bill

House Appropriations and Finance Committee Substitute for House Bills 2,3,4,5 and 6 appropriates money from the general fund, other revenue, internal services funds/interagency transfers, and federal funds for the FY10 operation of state agencies, higher education and public schools.

Section 1, Short Title (page 1);

Section 2, Definitions (pages 1 - 3);

Section 3, General Provisions (pages 3 – 6)

Section 4, Fiscal Year 2010 Appropriations (pages 6 - 215);

Section 5 Special Appropriations (pages 215 - 222);

Section 6, Supplemental and Deficiency Appropriations (pages 222 - 224);

Section 7, Data Processing Appropriations (pages 224 - 227);

Section 8, Additional Fiscal Year 2009 Budget Adjustment Authority (pages 227 - 229);

Section 9, Certain Fiscal Year 2010 Budget Adjustments Authorized (pages 229 - 271);

Section 10, Appropriation Reductions (pages 238 -239);

Section 11, Appropriation Reductions for Certain Salary Decreases (page 240)

Section 12, Fund Transfers (pages 240 -241); and

Section 13, Severability (page 241).

**FISCAL IMPLICATIONS**

The appropriations contained in this bill can be summarized as follows:

(dollars in thousands)

Agency	General Fund	Other State Funds	Internal Service Funds/InterAgency Trnsfrs	Federal Funds	Total
<b>SECTION 4 FY10 Operating</b>					
<b>Recurring:</b>					
Legislative	4,164.2	-	-	-	4,164.2
Judicial	211,789.0	17,651.5	9,713.0	2,227.1	241,380.6
General Control	200,854.5	407,888.6	875,212.9	17,916.2	1,501,872.2
Commerce & Industry	58,860.0	46,307.9	18,472.3	1,140.5	124,780.7
Agric., Enrgy & Ntrl Res	82,962.4	90,802.1	21,061.4	33,091.8	227,917.7
Health, Hospitals & Human Svcs	1,301,119.9	278,755.5	279,317.6	3,851,456.0	5,710,649.0
Public Safety	394,606.7	30,240.8	11,955.3	72,932.0	509,734.8
Transportation	-	446,684.8	-	359,516.4	806,201.2
Other Education	47,785.7	18,671.3	2,000.0	54,904.9	123,361.9
Higher Education	863,874.6	1,372,094.0	166.5	533,889.2	2,770,024.3
Public School Support	2,349,940.2	850.0	-	627,092.0	2,977,882.2
<b>Total Sec 4 Recurring</b>	<b>\$ 5,515,957.2</b>	<b>\$ 2,709,946.5</b>	<b>\$ 1,217,899.0</b>	<b>\$ 5,554,166.1</b>	<b>\$ 14,997,968.8</b>
<b>Recurring:</b>					
<b>Appropriation Reductions</b>					
Public Property/Liability Rates	(1,216.1)	-	-	-	(1,216.1)
PERA/ERB Employee/Employer Shift	(42,599.7)	-	-	-	(42,599.7)
Legislative Vacancy Rate	(114.5)	-	-	-	(114.5)
	<b>\$ (43,930.3)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (43,930.3)</b>
<b>TOTAL RECURRING</b>	<b>\$ 5,472,026.9</b>	<b>\$ 2,709,946.5</b>	<b>\$ 1,217,899.0</b>	<b>\$ 5,554,166.1</b>	<b>\$ 14,954,038.5</b>
<b>Recurring: Sections 5&amp;6</b>					
Specials	4,700.0	500.0	790.3	-	5,990.3
Supplemental	4,954.0	300.0	-	-	5,254.0
<b>Total Recurring</b>	<b>9,654.0</b>	<b>800.0</b>	<b>790.3</b>	<b>-</b>	<b>\$ 11,244.3</b>
<b>Nonrecurring: Sections 5&amp;6</b>					
Specials	17,366.0	6,708.9	-	706.0	24,780.9
Supplemental & Deficiency	19,449.5	393.0	-	1,018.3	20,860.8
<b>Total Nonrecurring</b>	<b>\$ 36,815.5</b>	<b>7,101.9</b>	<b>-</b>	<b>1,724.3</b>	<b>\$ 45,641.7</b>

Unless otherwise indicated, appropriations from the general fund revert to the general fund at the end of FY10 unless otherwise indicated or provided by law. Exceptions include higher education institutions and public schools.

**CONFLICT, RELATIONSHIP**

House Bill 2 conflicts with House Bill 13 and Senate Bill 406. These bills represent the Legislative Finance Committee’s recommendations for funding operations of state government.

House Bill 2 relates to House Bill 1. General fund operating appropriations for most legislative agencies are contained in House Bill 1, the “Feed Bill.”

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