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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 01/22/14  
**SPONSOR** Varela **LAST UPDATED** \_\_\_\_\_ **HB** 7

**SHORT TITLE** General Appropriation Act of 2014 **SB** \_\_\_\_\_

**ANALYST** Lucero

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$6,131,054.6	Recurring	General Fund
	3,816,593.2	Recurring	Other State Funds
	\$477,588.3	Recurring	Internal Service/Inter-Agency Transfers
	\$6,578,522.8	Recurring	Federal Funds
\$20,211.8		Nonrecurring	General Fund
\$39,989.7		Nonrecurring	Other State Funds
\$9,850.0		Nonrecurring	Internal Service/Inter-Agency Transfers
\$1,023.7		Nonrecurring	Federal Funds

(Parenthesis ( ) Indicate Expenditure Decreases)

House Bill 7 conflicts with House Bill 2 which represents the executive recommendation for funding operations of state government.

House Bill 7 relates to House Bill 1 (the "Feed Bill") which funds the operations of most legislative agencies.

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

House Bill 7 appropriates money from the general fund, other revenue, internal services funds/interagency transfers, and federal funds for the FY15 operation of state agencies, higher education and public schools and certain FY14 expenses.

## House Bill 7 – Page 2

Recurring general fund appropriations total \$6.13 billion an increase of \$252.6 million, or 4.3 percent, over the previous General Appropriation Act (GAA) while leaving reserves at 9.5 percent.

Notable spending increases include compensation increases for state and public school employees; an additional \$35 million for early childhood initiatives; and public and higher education funding increases of 5.6 percent and 5.1 percent, respectively. Recurring general fund appropriations added \$2.5 million to the marketing program of the Tourism Department; \$1.5 million for the job training/recruitment program at the Economic Development Department; \$5.3 million for expanding the capacity of graduate nursing education, undergraduate nursing education, and resident physician programs; and \$10 million to match with \$30 million of federal funds to provide a rate increase to hospitals contingent on legislation to continue county support for the Medicaid program.

Nonrecurring general fund appropriations for special, supplemental, and deficiency items totaled \$20.2 million including \$6.2 million for the computer systems enhancement fund. Notable appropriations include \$2 million for economic development projects pursuant to the Local Economic Development Act (LEDA) and \$500 thousand for the MainStreet program, \$1.5 million for common public education core state standards, and \$2.9 million to ensure students who received four or more semesters of the legislative lottery scholarship receive awards for full tuition costs for FY15.

The bill authorizes the transfer of \$10 million from the general fund to the water trust fund to replenish the water trust fund. The bill also authorizes transfers from the tobacco settlement permanent fund in FY14 and FY15 to the tobacco settlement program fund to replace reduced tobacco settlement revenues.

Unless otherwise indicated in the bill, appropriations from the general fund revert to the general fund as the end of FY15, or unless otherwise indicated or provided by law. Exceptions include higher education institutions and public schools.

Section 1, Short Title (page 1);

Section 2, Definitions (pages 1 - 3);

Section 3, General Provisions (pages 3 – 5)

Section 4, Fiscal Year 2015 Appropriations (pages 5 - 186);

Section 5 Special Appropriations (pages 186 - 193);

Section 6, Supplemental and Deficiency Appropriations (pages 193 - 196);

Section 7, Data Processing Appropriations (pages 196 - 199);

Section 8, Compensation Appropriations (pages 199 - 202);

Section 9, Fund Transfers (page 202).

Section 10, Severability (page 203).

**FISCAL IMPLICATIONS**

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

	General Fund	Other State Funds	Internal Service Funds/ InterAgency Trnsfrs	Federal Funds	Total
Legislative	\$ 4,415.7	\$ -	\$ -	\$ -	\$ 4,415.7
Judicial	\$ 218,157.0	\$ 23,886.6	\$ 9,024.9	\$ 2,323.5	\$ 253,392.0
General Control	\$ 176,665.2	\$ 1,334,036.7	\$ 82,454.5	\$ 14,062.3	\$ 1,607,218.7
Commerce and Industry	\$ 49,821.2	\$ 70,237.5	\$ 18,133.4	\$ 819.4	\$ 139,011.5
Agric., Enrgy & Ntrl Res	\$ 70,293.2	\$ 93,313.2	\$ 23,470.6	\$ 35,283.6	\$ 222,360.6
Health, Hospitals & Human Svcs	\$ 1,635,539.2	\$ 329,164.1	\$ 277,977.3	\$ 4,911,041.8	\$ 7,153,722.4
Public Safety	\$ 391,712.4	\$ 32,858.9	\$ 16,203.5	\$ 67,607.3	\$ 508,382.1
Transporation	\$ -	\$ 425,507.5	\$ -	\$ 407,457.4	\$ 832,964.9
Other Education	\$ 85,574.7	\$ 23,281.9	\$ 36.0	\$ 33,732.5	\$ 142,625.1
Higher Education	\$ 826,935.9	\$ 1,482,806.8	\$ 50,288.1	\$ 691,992.7	\$ 3,052,023.5
Public School Support	\$ 2,624,889.6	\$ 1,500.0	\$ -	\$ 414,202.3	\$ 3,040,591.9
<b>Total Sec. 4 Recurring</b>	<b>\$ 6,084,004.1</b>	<b>\$ 3,816,593.2</b>	<b>\$ 477,588.3</b>	<b>\$ 6,578,522.8</b>	<b>\$ 16,956,708.4</b>
Recurring Special Appropriations	\$ 10,311.0				
<b>Total Sec. 5 Recurring</b>	<b>\$ 10,311.0</b>				
Compensation Appropriations	\$ 36,739.5				
<b>Total Sec. 9 Recurring</b>	<b>\$ 36,739.5</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,739.5</b>
<b>Total Recurring</b>	<b>\$ 6,131,054.6</b>	<b>\$ 3,816,593.2</b>	<b>\$ 477,588.3</b>	<b>\$ 6,578,522.8</b>	<b>\$ 17,003,758.9</b>
Specials	\$ 17,731.6	\$ 8,102.0	\$ 100.0	\$ -	\$ 25,933.6
Supplemental & Deficiency	\$ 2,480.2	\$ 14,863.3	\$ 9,750.0	\$ -	\$ 27,093.5
Data Processing	\$ -	\$ 17,024.4	\$ -	\$ 1,023.7	\$ 18,048.1
<b>Total Nonrecurring</b>	<b>\$ 20,211.8</b>	<b>\$ 39,989.7</b>	<b>\$ 9,850.0</b>	<b>\$ 1,023.7</b>	<b>\$ 71,075.2</b>

**OTHER SUBSTANTIVE ISSUES**

Section 8 compensation appropriations contained in this bill include public employees represented under collective bargaining and unrepresented public employees and are summarized as follows:

<b>FY15 Public Employee Compensation</b>				
<b>(in thousands)</b>				
	LFC Rec 1.5 Percent COLA	LFC Rec Recruitment, Retention, Compaction, Equity Equivalent	LFC Rec Additional Comp	LFC Rec Total Comp Rec
<b>Section 8 Compensation</b>				
Legislative	\$ 178.3	\$ 178.3	\$ -	\$ 356.6
Judicial	\$ 1,842.8	\$ 1,842.8	\$ -	\$ 3,685.6
Classified/Exempt	\$ 9,004.0	\$ 9,004.0	\$ -	\$ 18,007.9
<b>Total All Agencies</b>	<b>\$ 11,025.1</b>	<b>\$ 11,025.1</b>	<b>\$ -</b>	<b>\$ 22,050.1</b>
<b>Higher Education</b>	<b>\$ 9,689.3</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,689.3</b>
<b>Special Compensation</b>				
State Police & MTD Officers (5% increase)	\$ -	\$ -	\$ 3,000.0	\$ 3,000.0
Hard to fill classifications	\$ -	\$ -	\$ 2,000.0	\$ 2,000.0
<b>Total Special Compensation</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000.0</b>	<b>\$ 5,000.0</b>
<b>Section 4 Compensation</b>				
<b>Public Schools</b>				
Teachers/Instructional/Other	\$ 28,021.5	\$ 28,021.5	\$ -	\$ 56,042.9
Transportation	\$ 886.0	\$ 886.0	\$ -	\$ 1,772.0
Educational Assistants (3% increase)	\$ -	\$ -	\$ 2,651.9	\$ 2,651.9
Level 1 Teacher Starting Salary	\$ -	\$ -	\$ 4,537.0	\$ 4,537.0
<b>Total Public Schools</b>	<b>\$ 28,907.5</b>	<b>\$ 28,907.5</b>	<b>\$ 7,188.9</b>	<b>\$ 65,003.8</b>
<b>Judges (5% increase)</b>			\$ 1,171.0	\$ 1,171.0
<b>District Attorneys (5% increase)</b>			\$ 74.6	\$ 74.6
<b>CYFD Protective Service (3% increase)</b>			\$ 636.9	\$ 636.9
<b>Juvenile Justice (3% increase)</b>			\$ 969.1	\$ 969.1
<b>Total</b>	<b>\$ 49,621.8</b>	<b>\$ 39,932.5</b>	<b>\$ 15,040.5</b>	<b>\$ 104,594.8</b>