

American Recovery and
Reinvestment Act
(Federal Stimulus Bill)
Impact to the Texas Budget

ARRA Purpose

Sec. 3 Purposes and Principles

(a) Statement of Purpose- The purposes of this Act include the following:

(1) To preserve and create jobs and promote economic recovery.

(2) To assist those most impacted by the recession

(3) To provide investments needed to increase economic efficiency by spurring technological advances in science and health.

(4) **To invest in transportation**, environmental protection, and other infrastructure that will provide long-term economic benefits.

(5) **To stabilize State and local government budgets in order to minimize and avoid reduction in essential services and counterproductive state and local tax increases.**

HB 4586 by Pitts

(The 2008-2009 Supplemental Budget)

ARRA impact on 2009 Budget

Reductions to General Revenue in 2009

- Section 42 reduces GR to Department of Aging and Disability Services by \$473,774,915. (Medicaid Nursing Homes)
- Section 46 reduces GR to the Health and Human Services Commission by \$1,127,526,993. (Medicaid)

New Money for 2009

- Texas Department of Transportation receives \$662,200,000 for highway and bridge construction.
- Health and Human Services Commission receives \$1,619,843,693 in additional funding for Medicaid funding. (replacing GR reduced in previous slide)

Senate Bill 1 2010-2011 Budget

ARRA Funding Impact

RECAPITULATION - ARTICLE XII
AMERICAN RECOVERY AND REINVESTMENT ACT
(General Revenue)¹

For the Years Ending

	<u>August 31, 2010</u>	<u>August 31, 2011</u>
Office of the Attorney General	\$ (27,300,000)	\$ 0
Department of Aging and Disability Services	(4,200,000)	0
Health and Human Services Commission	(2,513,000,000)	0
Texas Education Agency	(3,250,200,000)	0
Article XII, Special Provisions, Rider		
Appropriations	(588,592,500)	0
 TOTAL, ARTICLE XII - AMERICAN RECOVERY AND REINVESTMENT ACT	 <u>\$ (6,383,292,500)</u>	 <u>\$ 0</u>

**RECAPITULATION - ARTICLE XII
AMERICAN RECOVERY AND REINVESTMENT ACT
(Federal Funds)1**

For the Years Ending

	<u>August 31, 2010</u>	<u>August 31, 2011</u>
Commission on the Arts	\$ 427,300	\$ 0
Office of the Attorney General	37,400,000	0
Fiscal Programs - Comptroller of Public Accounts 2	84,800,000	0
Trusted Programs within the Office of the Governor	101,400,000	0
Department of Aging and Disability Services	10,200,000	0
Department of Assistive and Rehabilitative Services	87,600,000	0
Department of Family and Protective Services	64,370,942	0
Department of State Health Services	5,698,070	0
Health and Human Services Commission	2,560,594,804	0
Texas Education Agency	5,874,392,500	0
Higher Education Coordinating Board	80,000,000	0
General Academic Institutions	81,000,000	0
Health Related Higher Education Institutions	51,000,000	0
Higher Education and Other Government Programs	111,407,500	0
Public Community/Junior Colleges	15,000,000	0
Department of Agriculture	21,800,000	0
Commission on Environmental Quality 1	2,509,000	0
Department of Housing and Community Affairs	565,075,732	0
Office of Rural Community Affairs	19,500,000	0
Department of Transportation	1,637,800,000	0
Texas Workforce Commission	436,811,767	0
TOTAL, ARTICLE XII - AMERICAN RECOVERY AND REINVESTMENT ACT	<u>\$ 12,058,787,615</u>	<u>\$ 0</u>

**RECAPITULATION - ARTICLE XII
AMERICAN RECOVERY AND REINVESTMENT ACT
(All Funds)¹**

For the Years Ending

	<u>August 31, 2010</u>	<u>August 31, 2011</u>
Commission on the Arts	\$ 427,300	\$ 0
Office of the Attorney General	10,100,000	0
Fiscal Programs - Comptroller of Public Accounts	284,800,000	0
Trusted Programs within the Office of the Governor	101,400,000	0
Department of Aging and Disability Services	6,000,000	0
Department of Assistive and Rehabilitative Services	87,600,000	0
Department of Family and Protective Services	64,370,942	0
Department of State Health Services	5,698,070	0
Health and Human Services Commission	47,594,804	0
Texas Education Agency	2,624,192,500	0
Higher Education Coordinating Board	80,000,000	0
General Academic Institutions	81,000,000	0
Health Related Higher Education Institutions	51,000,000	0
Higher Education and Other Government Programs	11,407,500	0
Public Community/Junior Colleges	15,000,000	0
Department of Agriculture	21,800,000	0
Commission on Environmental Quality	12,509,000	0
Department of Housing and Community Affairs	565,075,732	0
Office of Rural Community Affairs	19,500,000	0
Department of Transportation	1,637,800,000	0
Texas Workforce Commission	436,811,767	0
Article XII, Special Provisions, Rider Appropriations	(588,592,500)	0
Less Interagency Contracts	\$ 0	\$ 0
TOTAL, ARTICLE XII - AMERICAN RECOVERY AND REINVESTMENT ACT	<u>\$ 5,675,495,115</u>	<u>\$ 0</u>

Strings Attached?

Requirements to receive ARRA funds only applies to years funded by ARRA.

Medicaid Funding

- No new eligibility or service requirements.
- Requirement was to maintain 2006 eligibility and services.

HB 4586

Supplemental Appropriations

SECTION 31. AMERICAN RECOVERY AND REINVESTMENT ACT: PRIORITY OF FUNDING.

- (a) To the extent allowed under the American Recovery and Reinvestment Act (ARRA), from funds appropriated in this Act, agencies and institutions shall give ***priority to expenditures that do not recur beyond the two-year period*** that begins on the effective date of this Act.

SB 1

Article XII

Sec. 7. Priority of Funding. To the extent allowed under the American Recovery and Reinvestment Act (ARRA), from funds appropriated in this Article, agencies shall give priority to expenditures that do not recur beyond the 2010-11 fiscal biennium.

Further, to the extent allowed under ARRA, agencies shall not create a liability on behalf of the State of Texas to make:

(a.) repayment to the United States treasury (i.e. "clawback") in the event of a future discontinuation of payments to the direct or indirect beneficiaries from those American Recovery and Reinvestment Act funds already expended; or

(b.) payments to direct or indirect beneficiaries of a program or strategy in excess of those funds actually received by the State of Texas from the United States treasury.

Article XII

Sec. 8. Discontinuance of Position Associated with American Recovery and Reinvestment Act. It is the intent of the legislature that a position of employment created as a result of the receipt of funds received as a result of the American Recovery and Reinvestment Act shall be eliminated by an agency or institution upon exhaustion or discontinued availability of funds received as a result of the American Recovery and Reinvestment Act for that position.

Article XII

Sec. 24. Informational Rider: Government Services Stabilization. Funds appropriated above from Title XIV (b), Other Government Services, of the American Recovery and Reinvestment Act are a one-time expenditure for the 2010-11 biennium.