

LEGISLATIVE BUDGET BOARD

Trauma Funding and the Driver Responsibility Program AN OVERVIEW

**PRESENTED TO THE SENATE FINANCE COMMITTEE
LEGISLATIVE BUDGET BOARD STAFF**

JANUARY 2018

Interim Charge: Trauma Funding

- Review revenue sources currently funding the state's trauma system and the impact of declining revenues and balances in General Revenue - Dedicated accounts.
- Evaluate the impact of statutory changes affecting trauma system funding, including efforts to eliminate the Driver Responsibility Program.
- Examine ways to ensure sustainability of the trauma system in Texas.

Trauma Related General Revenue-Dedicated Accounts

ACCOUNT NUMBER	ACCOUNT NAME
512	Bureau of Emergency Management
5007	Commission on State Emergency Communications
5046	Permanent Fund for Emergency Medical Services and Trauma Care
5108	EMS, Trauma Facilities, Trauma Care Systems
5111	Designated Trauma Facility and EMS

Account No. 512

Bureau of Emergency Management

Revenue is generated by fees and other funds received under the Emergency Health Care Act, such as fees collected for applications for EMS personnel certification.

Account No. 512 Revenue and Appropriations Fiscal Years 2016-2019

FISCAL YEAR	STARTING FUND BALANCE	REVENUE COLLECTED/ESTIMATED ¹	APPROPRIATED
2016	\$6,683,222	\$2,446,938	\$2,435,922
2017	\$6,343,364	\$2,460,096	\$2,397,415
2018	\$6,184,299	\$2,440,000	\$2,379,129
2019	\$6,245,170 ²	\$2,440,000	\$2,379,126

NOTE: Revenue Collected excludes Other Sources, which is comprised of transfers and unexpended balances. SOURCE: Comptroller of Public Accounts, Biennial Revenue Estimate and Cash Report. Legislative Budget Board, General Appropriations Act.

¹ Amounts shown for fiscal years 2016 and 2017 are collected. Amounts shown for fiscal years 2018 and 19 are estimated.

² Estimated based on fiscal year 2018 appropriations and estimated revenue.

Funds from Account No. 512 must be used to administer the Emergency Health Care Act, which regulates EMS personnel and providers. Funds are appropriated to the Department of State Health Services.

Account No. 5007

Commission on State Emergency Communications

Revenue is generated from 9-1-1 equalization surcharges imposed on customers receiving intrastate long-distance telephone service.

Account No. 5007 Revenue and Appropriations Fiscal Years 2016-2019

FISCAL YEAR	STARTING FUND BALANCE	REVENUE COLLECTED/ESTIMATED¹	APPROPRIATED²
2016	\$35,068,461	\$18,521,295	\$17,909,325
2017	\$38,420,252	\$19,354,312	\$17,937,310
2018	\$39,637,182	\$19,850,000	\$17,918,251
2019	\$41,568,931 ³	\$19,850,000	\$16,355,329

NOTE: Revenue Collected excludes Other Sources, which is comprised of transfers and unexpended balances. SOURCE: Comptroller of Public Accounts, Cash Reports and Certified Revenue Estimates. Legislative Budget Board, General Appropriations Acts.

¹ Amounts shown for fiscal years 2016 and 2017 are collected. Amounts shown for fiscal years 2018 and 19 are estimated.

² Includes appropriations to the Commission on Emergency Communications and the Department of State Health Services.

³ Estimated based on Fiscal Year 2018 appropriations and estimated revenue.

Allowable Uses of Account No. 5007

Primary Use: Funding for 911 emergency communications systems and poison control centers. Appropriations to DSHS are to fund county and regional EMS and trauma care systems.

Commission on Emergency Communications
(\$30.6 million appropriated in the 2018-19 biennium)

- No more than 60% - Poison Control Centers
- No more than 40% - Regional Planning Commissions for carrying out regional 911 plans

Department of State Health Services
(\$3.6 million appropriated in the 2018-19 biennium)

- \$500,000 reserve for extraordinary emergencies
- 50% - EMS Providers for supplies, operational expenses, education and training, equipment, vehicles and communications systems
- At least 27% - Hospitals for uncompensated trauma care
- No more than 20% - Regional Advisory Councils for operation
- No more than 3% - Administration

Account No. 5046

Permanent Fund for Emergency Medical Services and Trauma Care

Revenue is generated from tobacco settlement funds, funds transferred in by the Legislature, and interest earnings on the corpus.

Account No. 5046 Revenue and Appropriations Fiscal Years 2016-2019

FISCAL YEAR	STARTING FUND BALANCE	REVENUE COLLECTED/ESTIMATED ¹	APPROPRIATED
2016	\$2,595,201	\$15,317,728	\$14,408,868
2017	\$2,948,754	\$21,890,271	\$35,781,788
2018	\$5,237,575	\$22,017,000	\$26,346,093
2019	\$908,482	\$0	\$0

NOTE: Revenue Collected excludes Other Sources, which is comprised of transfers and unexpended balances. Fiscal year 2018-19 appropriations from Account No. 5046 are \$23.8 million less than 2016-17 spending levels primarily due to spending down of the corpus of the account for CPRIT bond debt service. SOURCE: Comptroller of Public Accounts, Cash Reports and Certified Revenue Estimates. Legislative Budget Board, General Appropriations Acts.

¹ Amounts shown for fiscal years 2016 and 2017 are collected. Amounts shown for fiscal years 2018 and 19 are estimated.

² Estimated based on Fiscal Year 2018 appropriations and estimated revenue.

Allowable Uses of Account No. 5046

Primary Use: Pay principle or interest of a bond at the Cancer Prevention and Research Institute of Texas.

Cancer Prevention and Research Institute of Texas
(\$26.2 million appropriated in the 2018-19 biennium)

- 100% Bond debt service

Department of State Health Services
(\$139,551 appropriated in the 2018-19 biennium)

- At least 97% - Provide EMS and trauma care services
- No more than 3% - Administration

Account No. 5108

EMS, Trauma Facilities, Trauma Care Systems

Revenue is generated by a court cost of \$100 imposed on persons convicted of intoxication offenses.

Account No. 5108 Revenue and Appropriations Fiscal Years 2016-2019

FISCAL YEAR	STARTING FUND BALANCE	REVENUE COLLECTED/ESTIMATED ¹	APPROPRIATED
2016	\$17,837,166	\$3,733,752	\$2,384,303
2017	\$18,856,491	\$3,607,848	\$2,384,302
2018	\$20,197,047	\$3,765,000	\$2,384,303
2019	\$21,577,744 ²	\$3,765,000	\$2,384,302

NOTE: Revenue Collected excludes Other Sources, which is comprised of transfers and unexpended balances. SOURCE: Comptroller of Public Accounts, Cash Reports and Certified Revenue Estimates. Legislative Budget Board, General Appropriations Acts.

¹ Amounts shown for fiscal years 2016 and 2017 are collected. Amounts shown for fiscal years 2018 and 19 are estimated.

² Estimated based on Fiscal Year 2018 appropriations and estimated revenue.

Allowable Uses of Account No. 5108

Primary Use: Fund county and regional EMS, designated trauma facilities, and trauma care systems.

Appropriated to Department of State Health Services

- \$500,000 reserve for extraordinary emergencies
- 50% - EMS Providers for supplies, operational expenses, education and training, equipment, vehicles and communications systems
- At least 27% - Hospitals for uncompensated trauma care
- No more than 20% - Regional Advisory Councils for operation
- No more than 3% - Administration

Sources of Revenue to Account No. 5111 Designated Trauma Facility and EMS

\$30 State Traffic Fine

- 5.0 percent retained by locals
- 67.0 percent of state revenue to General Revenue Fund
- 33.0 percent of state revenue to **Designated Trauma Facility and EMS Account No. 5111**

Driver Responsibility Program Surcharges

- 50.5 percent General Revenue Fund
- 49.5 percent **Designated Trauma Facility and EMS Account No. 5111**

Red Light Camera Penalties

- 50.0 percent retained by locals
- 50.0 percent **Designated Trauma Facility and EMS Account No. 5111**

Designated Trauma Facility and EMS Account No. 5111

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graph TD; A["$30 State Traffic Fine"] --> D["Designated Trauma Facility and EMS Account No. 5111"]; B["Driver Responsibility Program Surcharges"] --> D; C["Red Light Camera Penalties"] --> D;
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NOTE: State revenue from red light camera penalties is deposited into Account No. 5111 as of 9/1/15. Previously this revenue was deposited into Regional Trauma Account No. 5137, which was abolished by the 84th Legislature.

Sources of Revenue to Account No. 5111 Designated Trauma Facility and EMS

FISCAL YEAR	REVENUE FROM STATE TRAFFIC FINE DEPOSITED INTO ACCOUNT NO. 5111 (IN MILLIONS)	REVENUE FROM DRIVER RESPONSIBILITY SURCHARGES DEPOSITED INTO ACCOUNT NO. 5111 (IN MILLIONS)	REVENUE FROM RED LIGHT CAMERA PENALTIES DEPOSITED INTO ACCOUNT NO. 5111 (IN MILLIONS)	BALANCE TRANSFER FROM ACCOUNT 5137 (IN MILLIONS)
2016	\$26.3	\$73.2	\$15.3	\$97.4
2017	\$24.4	\$71.2	\$18.3	N/A
2018	\$24.5	\$71.2	\$16.2	N/A
2019	\$26.5	\$71.2	\$16.2	N/A

NOTE: Amounts shown for fiscal years 2018-19 are estimated. Revenue from red light camera penalties are deposited into Account No. 5111 as of 9/1/15. Previously, this revenue was deposited into Regional Trauma Account No. 5137, which was abolished by the 84th Legislature. In fiscal year 2016, the balance of Regional Trauma Account No. 5137 was transferred into Account No. 5111.

SOURCE: Comptroller of Public Accounts and Legislative Budget Board.

Account No. 5111

Revenue and Appropriations

Account No. 5111 Revenue and Appropriations Fiscal Years 2016-2019

FISCAL YEAR	STARTING FUND BALANCE	TRANSFER OF GRD 5137 FUND BALANCE (HB 7)	REVENUE COLLECTED/ESTIMATED ¹	APPROPRIATED ²
2016	\$31,356,314	\$97,392,511	\$114,756,810	\$174,078,236
2017	\$60,775,234	-	\$113,900,692	\$174,139,297
2018	\$13,247,251	-	\$111,861,000	\$116,212,000
2019	\$8,896,251 ³	-	\$113,889,000	\$116,212,001

NOTE: 1) Revenue Collected excludes Other Sources, which is comprised of transfers and unexpended balances. 2) Pursuant to Special Provisions Relating to All Health and Human Services Agencies Sec. 22, if revenue is not collected in the amount appropriated, the interagency contract to the Health and Human Services is reduced.

SOURCE: Comptroller of Public Accounts, Cash Reports and Certified Revenue Estimates. Legislative Budget Board, General Appropriations Acts.

¹ Amounts shown for fiscal years 2016 and 2017 are collected. Amounts shown for fiscal years 2018 and 19 are estimated.

² Includes appropriations to the Department of State Health Services and the Higher Education Coordinating Board (\$8.64 million in each of fiscal years 2016 and 2017).

³ Estimated based on FY 2018 estimated revenue and appropriations.

Allowable Uses of Account No. 5111

Account No. 5111 has historically been appropriated primarily to the Department of State Health Services (DSHS) to reimburse uncompensated trauma care in the state. In the 2016-17 and 2018-19 biennia, the majority of the funding appropriated to DSHS was transferred to the Health and Human Services Commission for rural hospitals, trauma care add-on payments, and safety-net hospital add-on payments.

- At least 96% - Uncompensated trauma care
- No more than 2% - EMS providers
- No more than 1% - Regional Advisory Councils
- No more than 1% - Administration

Driver Responsibility Program

Statutory Basis

- Chapter 708, Transportation Code
- Enacted by House Bill 3588, Seventy-eighth Legislature, Regular Session
 - Amended by House Bill 2, Seventy-eighth Legislature, Third Called Session
 - Statute became effective September 1, 2003

Driver Responsibility Program

Surcharges based on driving violations

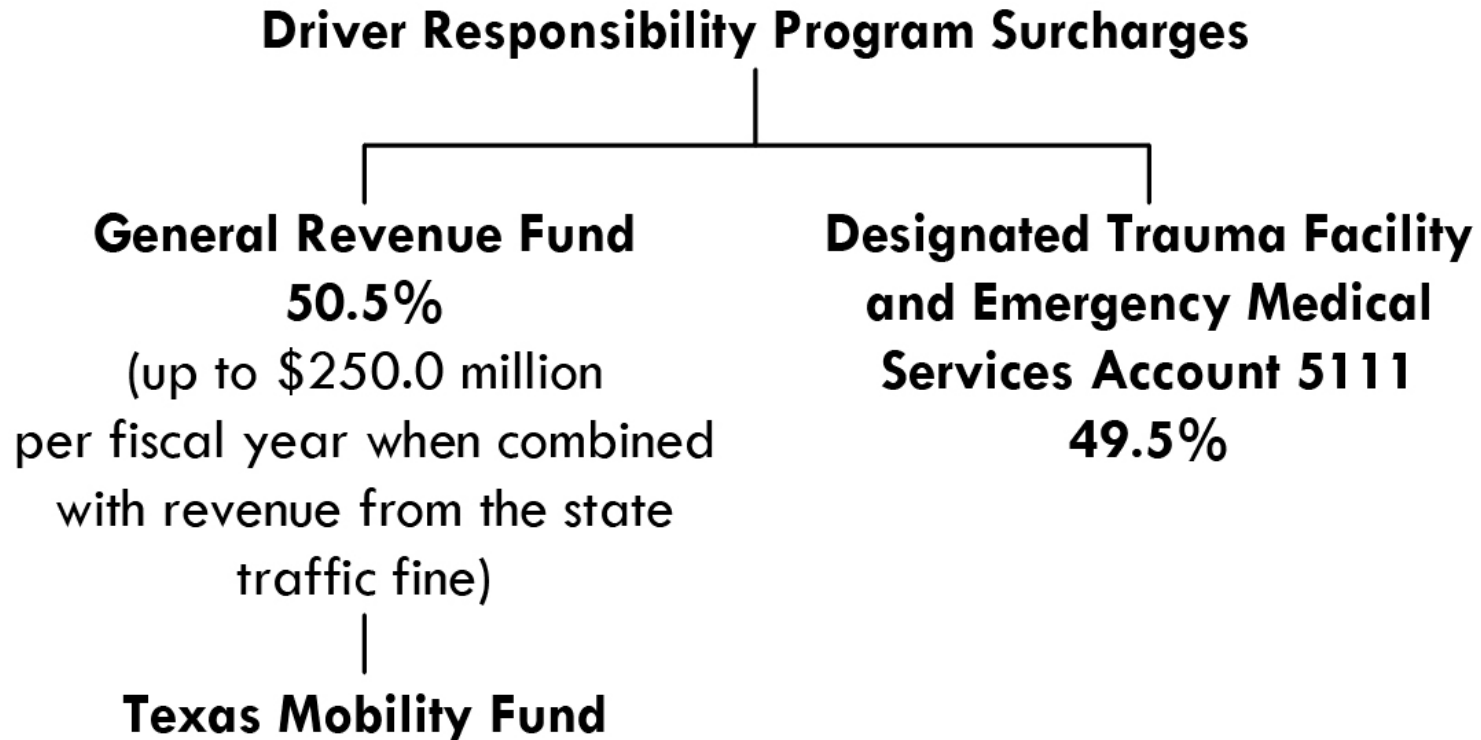
- Points: accumulating six or more points from specific moving violations within a 36 month period
- Driving while Intoxicated (DWI): operating a motor vehicle with an alcohol concentration of 0.08 or more
- License Invalid/No Insurance:
 - driving while license invalid (DWLI), meaning that the license is suspended or revoked, or
 - failing to maintain financial responsibility (having no insurance)
- No License (NL): driving with no license or an expired license

Driver Responsibility Program

Annual Penalties (surcharges) Assessed Upon Conviction

- Points: \$100 for the first six points and \$25 for each additional point
- DWI:
 - \$1,000 for a first offense
 - \$1,500 for a second or subsequent DWI conviction
 - \$2,000 if alcohol concentration is 0.16 or more
- DWLI or No Insurance: \$250
- No License: Up to \$100
- Collected each year for three years following final conviction or the total amount owed over the three-year period may be paid in advance as a single payment
- If an individual does not pay or enter into agreement within 105 days, their license will be suspended

Driver Responsibility Program



* Revenue to the General Revenue Fund has not exceeded \$250 million since this allocation was changed in fiscal year 2006, so no funds have been sent to the Texas Mobility Fund since this time.

Driver Responsibility Program

Surcharge Revenue (in millions), Fiscal Years 2011–2017

	2011	2012	2013	2014	2015	2016	2017
General Revenue	\$86.1	\$88.4	\$68.7	\$73.0	\$76.4	\$74.7	\$72.6
Trauma Account No. 5111	\$84.4	\$85.0	\$69.1	\$71.6	\$74.9	\$73.2	\$71.2
Total	\$170.4	\$173.4	\$137.8	\$144.5	\$151.2	\$147.8	\$143.8

NOTE: Numbers may not sum due to rounding. SOURCE: Comptroller of Public Accounts

Driver Responsibility Program

Various bills have modified the program over time as the Legislature has sought to address collections, sustainability of revenue, and the impact on the population subject to the program.

During the Eighty-fifth Legislature in 2017, the Legislature considered several bills that would have either repealed the program, or repealed and replaced the program. These bills were not enacted.

- Senate Bill 90, by Hall – would have repealed the program
 - Similar bills: SB 661, HB 67, HB 275
- House Bill 2068, by Phillips – would have repealed/replaced the program
 - Similar bills: SB 2185

Driver Responsibility Program

Senate Bill 90, by Hall (as Introduced)

- The bill would have repealed the program and the surcharges assessed on drivers convicted of certain driving offenses.
- The bill would have required surcharges assessed prior to the effective date of the repeal to continue to be paid, including any unpaid surcharges or penalties in prior years. This would result in a delayed revenue effect.
- Since the bill would not have affected surcharges assessed for the period 36 months prior to its enactment, there would be no revenue impact in the initial fiscal year, and partial revenue impact in the two subsequent fiscal years. Revenue losses would be partially offset by cost savings associated with the declining cost of administering the program.
- At full effect in the third year following enactment, the fiscal impact of the bill is estimated to result in a net negative impact of \$72.9 million in General Revenue per fiscal year, and a loss of \$74.0 million in GR-D Account No. 5111 per fiscal year.

Driver Responsibility Program

House Bill 2068, by Phillips (as Engrossed)

- The bill would have repealed the program and the surcharges assessed on drivers convicted of certain driving offenses. The bill would have forgiven surcharges assessed prior to the effective date of the repeal, including any unpaid surcharges or penalties in prior years.
- The bill would establish, in addition to the fine prescribed for the specific offense, a new one-time fine of \$3,000 for the first conviction of certain intoxicated driver offenses; \$4,500 for a second conviction in a 36 month period; and \$6,000 if the person's blood, breath, or urine show an alcohol concentration over a certain amount.
- Fines would be collected by local governments and remitted to the state quarterly, less a service fee. Fifty percent of the funds remitted to the state would be deposited to General Revenue, and the remaining 50 percent would be deposited to GR-D Account No. 5111.
- The bill would also make adjustments to the amount and allocation of the State Traffic Fine.
- Revenue losses would be partially offset by cost savings associated with administering the program.
- The fiscal impact of the bill is estimated to result in a net positive impact of \$6.9 million in General Revenue per fiscal year, and a gain of \$32.7 million in GR-D Account No. 5111 per fiscal year.



LEGISLATIVE BUDGET BOARD

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