



LEGISLATIVE BUDGET BOARD

Summary of Conference Committee Report for House Bill 1

Appropriations for the 2020–21 Biennium

SUBMITTED TO THE 86TH TEXAS LEGISLATURE

PREPARED BY LEGISLATIVE BUDGET BOARD STAFF

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MAY 2019

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INTRODUCTION

This summary of the General Appropriations Bill publication provides an overview of the appropriations included in the General Appropriations Bill, otherwise known as the state budget. The version of the General Appropriations Bill that becomes law, after being passed by the Legislature and signed by the Governor, is referred to as the General Appropriations Act (GAA). This enacted legislation is the state's budget for a two-year period (biennium). The Legislative Budget Board staff provides a Summary of the General Appropriations Bill for each version of the bill as the budget deliberations unfold during the legislative session. The summary is not a reconciliation of each change in the General Appropriations Bill, but rather a high-level overview of major changes between the biennia and between iterations of the bill. It is a reference for legislators and other stakeholders as they work through budget deliberations.

The General Appropriations Bill is categorized into articles that cover certain areas of state government. For example, Article I is General Government. Article II covers Health and Human Services, and Article III is Public and Higher Education. Six additional articles cover the other areas of government.

The Legislature uses four methods of finance to appropriate funds to state agencies and public institutions of higher education: General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, and Other Funds. **All Funds** is the summation of the methods of finance.

- **General Revenue Funds** include the nondedicated portion of the General Revenue Fund, which is the state's primary operating fund. General Revenue Funds also include the Available School Fund, the State Instructional Materials Fund, and the Foundation School Fund.
- **General Revenue–Dedicated Funds** include approximately 200 accounts within the General Revenue Fund that are dedicated for specific purposes by statute or the funds-consolidation process. For example, Clean Air Account Number 151 is funded primarily through a portion of motor vehicle inspection fees and a portion of air pollution control fees. These revenues are statutorily dedicated to the Texas Commission on Environmental Quality to provide funding for various air quality, monitoring and permitting programs.
- **Federal Funds** include grants, allocations, payments, or reimbursements received from the federal government by state agencies and institutions. The largest portion of federal funding appropriations is for the Medicaid program in Article II. Other examples of Federal Funds appropriations include the U.S. Social Security Act, the U.S. Every Student Succeeds Act (Title I), Grants to Local Educational Agencies, National School Lunch Program, Transportation Grants and National Highway System Funding, Special Education Basic State Grants, and the Children's Health Insurance Program.
- **Other Funds** consist of any funds not included in the General Revenue Fund (dedicated or not) or Federal Funds. Examples of Other Funds appropriations include those from the State Highway Fund, the Texas Mobility Fund, the Property Tax Relief Fund, the Economic Stabilization Fund, trust funds, bond proceeds, and Interagency Contracts.

The introduction chapter of the summary provides a high-level overview of the General Appropriations Bill. **Figures 1 to 14** provide the total appropriations for the 2020–21 biennium by each method of finance for each article in the bill compared to the 2018–19 biennium expended/budgeted level of funding. This chapter includes highlights of major funding items, significant policy, or fiscal issues across the state; examples of factors affecting the state budget, including budget drivers such as correctional population or public school daily attendance.

The introduction chapter also provides additional context for understanding the General Appropriations Bill, including trends in state government expenditures, an explanation of constitutional spending limits, insights into the Economic Stabilization Fund (i.e., the Rainy Day Fund), and the Texas Economic Outlook.

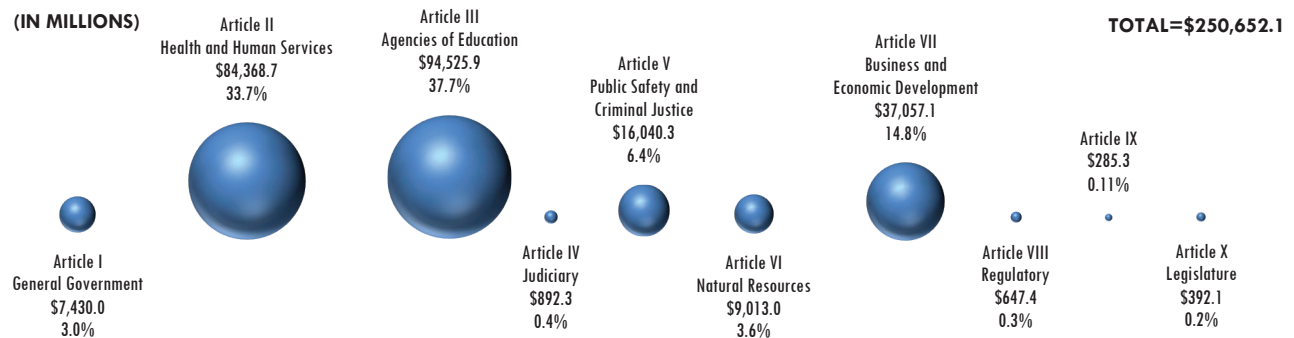
Following the introduction chapter are article-specific tables, including estimated and budgeted expenditures for the 2018–19 biennium, recommended appropriation levels in the 2020–21 General Appropriations Bill, full-time-equivalent positions for the article, and other significant fiscal issues. Finally, the summary includes two appendices. **Appendix A** provides a reader's guide to the General Appropriations Bill so that first-time users can better understand how to read the actual bill and make sense of the budget structure, performance measures, and riders. **Appendix B** provides a comparison point between versions of the

INTRODUCTION

General Appropriations Bill as the Legislature progresses through the budget deliberations. This comparison enables readers to identify differences between chamber bills, or a specific chamber's changes.

FUNDING BY ARTICLE

FIGURE 1
FUNDING BY ARTICLE, ALL FUNDS



NOTE: Object size is proportional to the percentage of recommended All Funds appropriation for all articles.
SOURCE: Legislative Budget Board.

FIGURE 2
FUNDING BY ARTICLE, ALL FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 (1) | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|---|-----------------------------------|--------------------|--------------------|----------------------|
| ALL FUNCTIONS | | | | |
| Article I – General Government | \$7,503.3 | \$7,430.0 | (\$73.3) | (1.0%) |
| Article II – Health and Human Services | \$83,584.2 | \$84,368.7 | \$784.5 | 0.9% |
| Article III – Agencies of Education (2) | \$81,229.0 | \$94,525.9 | \$13,296.8 | 16.4% |
| <i>Public Education (2)</i> | \$60,492.7 | \$72,673.1 | \$12,180.3 | 20.1% |
| <i>Higher Education</i> | \$20,736.3 | \$21,852.8 | \$1,116.5 | 5.4% |
| Article IV – Judiciary | \$857.1 | \$892.3 | \$35.3 | 4.1% |
| Article V – Public Safety and Criminal Justice | \$18,378.5 | \$16,040.3 | (\$2,338.3) | (12.7%) |
| Article VI – Natural Resources | \$6,566.0 | \$9,013.0 | \$2,447.1 | 37.3% |
| Article VII – Business and Economic Development | \$36,587.5 | \$37,057.1 | \$469.6 | 1.3% |
| Article VIII – Regulatory | \$671.7 | \$647.4 | (\$24.3) | (3.6%) |
| Article IX – General Provisions (2) | \$0.0 | \$285.3 | \$285.3 | N/A |
| Article X – Legislature | \$392.8 | \$392.1 | (\$0.8) | (0.2%) |
| Total, All Articles | \$235,770.2 | \$250,652.1 | \$14,882.0 | 6.3% |
| Amount of Tax Relief | | | (\$4,980.0) | |
| Growth Excluding Property Tax Relief | | | \$9,902.0 | 4.2% |

NOTES:

- (1) Amounts estimated or budgeted for the 2018–19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Contingent funding of \$11.5 billion for House Bill 3 has been moved from Article IX to Article III, Public Education, for the purposes of this comparison.
- (3) Excludes Interagency Contracts.
- (4) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 3
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS



NOTE: Object size is proportional to the percentage of recommended General Revenue Funds appropriation for all articles.
SOURCE: Legislative Budget Board.

FIGURE 4
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 (1) | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|---|-----------------------------------|--------------------|--------------------|----------------------|
| ALL FUNCTIONS | | | | |
| Article I – General Government | \$3,406.9 | \$4,006.5 | \$599.7 | 17.6% |
| Article II – Health and Human Services | \$34,716.3 | \$33,728.7 | (\$987.6) | (2.8%) |
| Article III – Agencies of Education (2) | \$56,458.4 | \$66,028.2 | \$9,569.9 | 17.0% |
| <i>Public Education (2)</i> | \$41,548.7 | \$50,176.3 | \$8,627.6 | 20.8% |
| <i>Higher Education</i> | \$14,909.7 | \$15,851.9 | \$942.3 | 6.3% |
| Article IV – Judiciary | \$490.8 | \$527.6 | \$36.8 | 7.5% |
| Article V – Public Safety and Criminal Justice | \$11,322.1 | \$12,086.5 | \$764.4 | 6.8% |
| Article VI – Natural Resources | \$910.6 | \$1,017.3 | \$106.8 | 11.7% |
| Article VII – Business and Economic Development | \$496.5 | \$490.9 | (\$5.7) | (1.1%) |
| Article VIII – Regulatory | \$345.3 | \$363.4 | \$18.1 | 5.2% |
| Article IX – General Provisions (2) | \$0.0 | \$218.1 | \$218.1 | N/A |
| Article X – Legislature | \$392.7 | \$391.9 | (\$0.9) | (0.2%) |
| Total, All Articles | \$108,539.7 | \$118,859.2 | \$10,319.5 | 9.5% |
| Amount of Tax Relief | | | (\$4,980.0) | |
| Growth Excluding Property Tax Relief | | | \$5,339.5 | 4.9% |

NOTES:

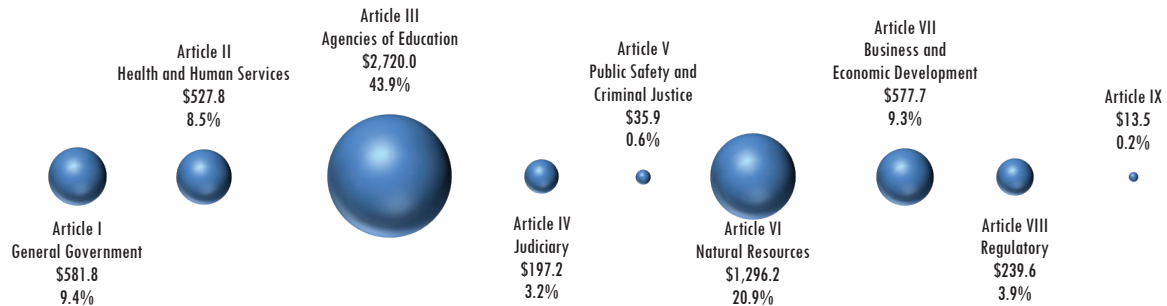
- (1) Amounts estimated or budgeted for the 2018–19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Contingent funding of \$11.5 billion for House Bill 3 has been moved from Article IX to Article III, Public Education, for the purposes of this comparison.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 5
FUNDING BY ARTICLE, GENERAL REVENUE–DEDICATED FUNDS

(IN MILLIONS)

TOTAL=\$6,189.6



NOTE: Object size is proportional to the percentage of recommended General Revenue–Dedicated Funds appropriation for all articles.
SOURCE: Legislative Budget Board.

FIGURE 6
FUNDING BY ARTICLE, GENERAL REVENUE–DEDICATED FUNDS

(IN MILLIONS)

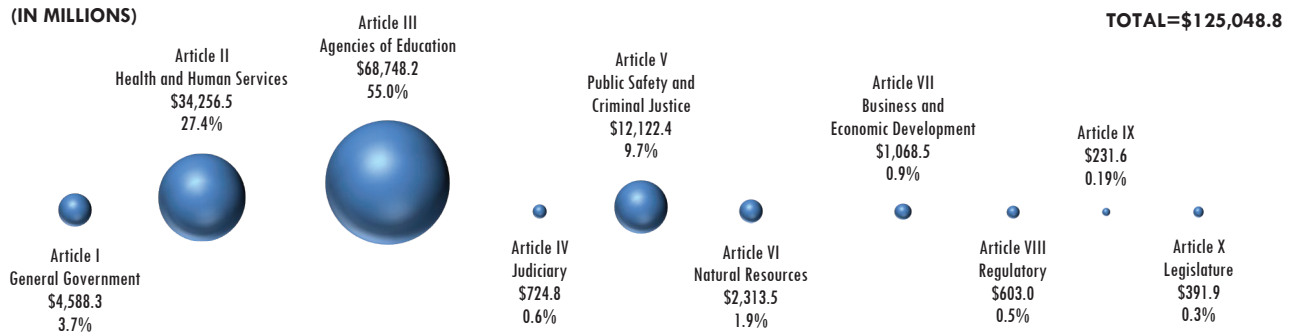
| ALL FUNCTIONS | ESTIMATED/BUDGETED 2018–19 (1) | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|---|-----------------------------------|--------------------|--------------------|----------------------|
| Article I – General Government | \$858.5 | \$581.8 | (\$276.7) | (32.2%) |
| Article II – Health and Human Services | \$566.9 | \$527.8 | (\$39.0) | (6.9%) |
| Article III – Agencies of Education | \$2,822.5 | \$2,720.0 | (\$102.5) | (3.6%) |
| <i>Public Education</i> | \$0.0 | \$0.0 | \$0.0 | N/A |
| <i>Higher Education</i> | \$2,822.5 | \$2,720.0 | (\$102.5) | (3.6%) |
| Article IV – Judiciary | \$141.1 | \$197.2 | \$56.2 | 39.8% |
| Article V – Public Safety and Criminal Justice | \$42.0 | \$35.9 | (\$6.1) | (14.5%) |
| Article VI – Natural Resources | \$1,366.6 | \$1,296.2 | (\$70.5) | (5.2%) |
| Article VII – Business and Economic Development | \$571.9 | \$577.7 | \$5.8 | 1.0% |
| Article VIII – Regulatory | \$236.1 | \$239.6 | \$3.5 | 1.5% |
| Article IX – General Provisions | \$0.0 | \$13.5 | \$13.5 | N/A |
| Article X – Legislature | \$0.0 | \$0.0 | \$0.0 | N/A |
| Total, All Articles | \$6,605.5 | \$6,189.6 | (\$415.8) | (6.3%) |

NOTES:

- (1) Amounts estimated or budgeted for the 2018–19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 7
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS



NOTE: Object size is proportional to the percentage of recommended General Revenue Funds and General Revenue–Dedicated Funds appropriation for all articles.

SOURCE: Legislative Budget Board.

FIGURE 8
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS

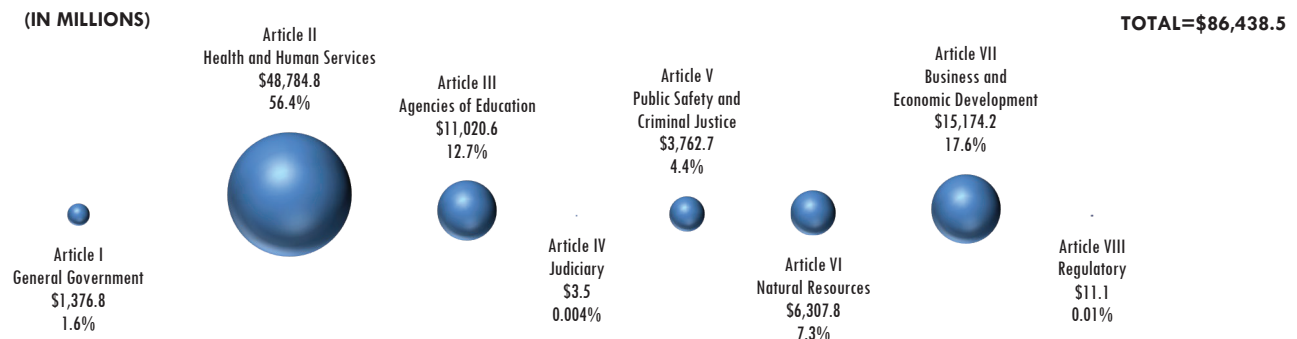
| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 (1) | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|---|-----------------------------------|--------------------|--------------------|----------------------|
| ALL FUNCTIONS | | | | |
| Article I – General Government | \$4,265.4 | \$4,588.3 | \$323.0 | 7.6% |
| Article II – Health and Human Services | \$35,283.2 | \$34,256.5 | (\$1,026.7) | (2.9%) |
| Article III – Agencies of Education (2) | \$59,280.9 | \$68,748.2 | \$9,467.3 | 16.0% |
| <i>Public Education (2)</i> | \$41,548.7 | \$50,176.3 | \$8,627.6 | 20.8% |
| <i>Higher Education</i> | \$17,732.2 | \$18,571.9 | \$839.7 | 4.7% |
| Article IV – Judiciary | \$631.8 | \$724.8 | \$93.0 | 14.7% |
| Article V – Public Safety and Criminal Justice | \$11,364.1 | \$12,122.4 | \$758.3 | 6.7% |
| Article VI – Natural Resources | \$2,277.2 | \$2,313.5 | \$36.3 | 1.6% |
| Article VII – Business and Economic Development | \$1,068.4 | \$1,068.5 | \$0.1 | 0.0% |
| Article VIII – Regulatory | \$581.4 | \$603.0 | \$21.6 | 3.7% |
| Article IX – General Provisions (2) | \$0.0 | \$231.6 | \$231.6 | N/A |
| Article X – Legislature | \$392.7 | \$391.9 | (\$0.9) | (0.2%) |
| Total, All Articles | \$115,145.1 | \$125,048.8 | \$9,903.7 | 8.6% |
| Amount of Tax Relief | | | (\$4,980.0) | |
| Growth Excluding Property Tax Relief | | | \$4,923.7 | 4.3% |

NOTES:

- (1) Amounts estimated or budgeted for the 2018–19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Contingent funding of \$11.5 billion for House Bill 3 has been moved from Article IX to Article III, Public Education, for the purposes of this comparison.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 9
FUNDING BY ARTICLE, FEDERAL FUNDS



NOTE: Object size is proportional to the percentage of recommended Federal Funds appropriation for all articles.

SOURCE: Legislative Budget Board.

FIGURE 10
FUNDING BY ARTICLE, FEDERAL FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 (1) | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|---|-----------------------------------|--------------------|--------------------|----------------------|
| ALL FUNCTIONS | | | | |
| Article I – General Government | \$1,264.2 | \$1,376.8 | \$112.5 | 8.9% |
| Article II – Health and Human Services | \$46,704.3 | \$48,784.8 | \$2,080.5 | 4.5% |
| Article III – Agencies of Education | \$10,802.5 | \$11,020.6 | \$218.1 | 2.0% |
| <i>Public Education</i> | \$10,519.7 | \$10,727.2 | \$207.5 | 2.0% |
| <i>Higher Education</i> | \$282.8 | \$293.4 | \$10.5 | 3.7% |
| Article IV – Judiciary | \$4.0 | \$3.5 | (\$0.5) | (12.4%) |
| Article V – Public Safety and Criminal Justice | \$6,748.5 | \$3,762.7 | (\$2,985.8) | (44.2%) |
| Article VI – Natural Resources | \$3,823.6 | \$6,307.8 | \$2,484.2 | 65.0% |
| Article VII – Business and Economic Development | \$14,715.8 | \$15,174.2 | \$458.4 | 3.1% |
| Article VIII – Regulatory | \$12.6 | \$11.1 | (\$1.6) | (12.5%) |
| Article IX – General Provisions | \$0.0 | (\$2.9) | (\$2.9) | N/A |
| Article X – Legislature | \$0.0 | \$0.0 | \$0.0 | N/A |
| Total, All Articles | \$84,075.6 | \$86,438.5 | \$2,362.9 | 2.8% |

NOTES:

- (1) Amounts estimated or budgeted for the 2018–19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 11
FUNDING BY ARTICLE, OTHER FUNDS

(IN MILLIONS)



NOTE: Object size is proportional to the percentage of recommended Other Funds appropriation for all articles.
SOURCE: Legislative Budget Board.

FIGURE 12
FUNDING BY ARTICLE, OTHER FUNDS

(IN MILLIONS)

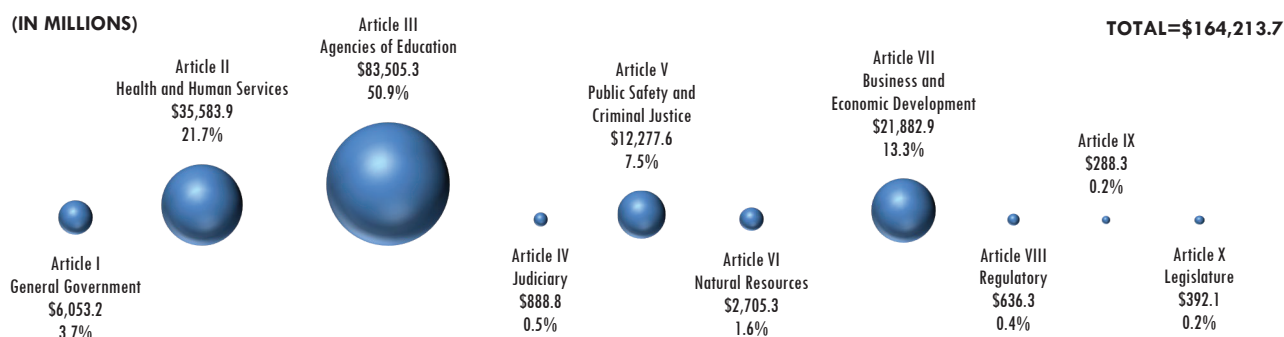
| ALL FUNCTIONS | ESTIMATED/BUDGETED 2018–19 (1) | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|---|-----------------------------------|--------------------|--------------------|----------------------|
| Article I – General Government | \$1,973.7 | \$1,464.9 | (\$508.8) | (25.8%) |
| Article II – Health and Human Services | \$1,596.7 | \$1,327.3 | (\$269.4) | (16.9%) |
| Article III – Agencies of Education | \$11,145.7 | \$14,757.1 | \$3,611.4 | 32.4% |
| <i>Public Education</i> | \$8,424.4 | \$11,769.5 | \$3,345.2 | 39.7% |
| <i>Higher Education</i> | \$2,721.3 | \$2,987.5 | \$266.2 | 9.8% |
| Article IV – Judiciary | \$221.2 | \$164.0 | (\$57.2) | (25.9%) |
| Article V – Public Safety and Criminal Justice | \$265.9 | \$155.1 | (\$110.7) | (41.7%) |
| Article VI – Natural Resources | \$465.2 | \$391.8 | (\$73.4) | (15.8%) |
| Article VII – Business and Economic Development | \$20,803.3 | \$20,814.4 | \$11.1 | 0.1% |
| Article VIII – Regulatory | \$77.6 | \$33.3 | (\$44.3) | (57.1%) |
| Article IX – General Provisions | \$0.0 | \$56.6 | \$56.6 | N/A |
| Article X – Legislature | \$0.1 | \$0.2 | \$0.1 | 133.0% |
| Total, All Articles | \$36,549.4 | \$39,164.8 | \$2,615.4 | 7.2% |

NOTES:

- (1) Amounts estimated or budgeted for the 2018–19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 13
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS, GENERAL REVENUE–DEDICATED FUNDS, AND OTHER FUNDS



NOTE: Object size is proportional to the percentage of recommended General Revenue Funds, General Revenue–Dedicated Funds, and Other Funds appropriation for all articles.
 SOURCE: Legislative Budget Board.

FIGURE 14
FUNDING BY ARTICLES, GENERAL REVENUE FUNDS, GENERAL REVENUE–DEDICATED FUNDS, AND OTHER FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 (1) | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|---|-----------------------------------|--------------------|--------------------|----------------------|
| ALL FUNCTIONS | | | | |
| Article I – General Government | \$6,239.1 | \$6,053.2 | (\$185.9) | (3.0%) |
| Article II – Health and Human Services | \$36,879.9 | \$35,583.9 | (\$1,296.0) | (3.5%) |
| Article III – Agencies of Education (2) | \$70,426.5 | \$83,505.3 | \$13,078.8 | 18.6% |
| <i>Public Education (2)</i> | \$49,973.1 | \$61,945.9 | \$11,972.8 | 24.0% |
| <i>Higher Education</i> | \$20,453.5 | \$21,559.4 | \$1,106.0 | 5.4% |
| Article IV – Judiciary | \$853.0 | \$888.8 | \$35.8 | 4.2% |
| Article V – Public Safety and Criminal Justice | \$11,630.0 | \$12,277.6 | \$647.6 | 5.6% |
| Article VI – Natural Resources | \$2,742.4 | \$2,705.3 | (\$37.1) | (1.4%) |
| Article VII – Business and Economic Development | \$21,871.7 | \$21,882.9 | \$11.2 | 0.1% |
| Article VIII – Regulatory | \$659.1 | \$636.3 | (\$22.7) | (3.4%) |
| Article IX – General Provisions (2) | \$0.0 | \$288.3 | \$288.3 | N/A |
| Article X – Legislature | \$392.8 | \$392.1 | (\$0.8) | (0.2%) |
| Total, All Articles | \$151,694.6 | \$164,213.7 | \$12,519.1 | 8.3% |
| Amount of Tax Relief | | | (\$4,980.0) | |
| Growth Excluding Property Tax Relief | | | \$7,539.1 | 5.0% |

NOTES:

- (1) Amounts estimated or budgeted for the 2018–19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Contingent funding of \$11.5 billion for House Bill 3 has been moved from Article IX to Article III, Public Education, for the purposes of this comparison.
- (3) Excludes Interagency Contracts.
- (4) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

HIGHLIGHTS OF CONFERENCE COMMITTEE REPORT FOR HOUSE BILL 1

For the 2020–21 biennium, funding includes the following key budget items:

SCHOOL FINANCE AND PROPERTY TAX REFORM (CONTINGENCY FOR HOUSE BILL 3)

- A total of \$11.5 billion in General Revenue Funds above current law funding for public schools is provided to increase public education funding, including salary increases for classroom teachers and other educators, provide school district property tax relief, and reduce recapture. The funding is contingent upon the enactment of House Bill 3. Components include:
 - \$6.5 billion for increased school funding, including: an increase to the Basic Allotment to \$6,160, funding to provide salary increases to teachers, librarians, counselors, nurses and other school employees; full-day prekindergarten for eligible students; and major structural reforms to the school finance system. Districts and charters are required to spend at least 30.0 percent of their funding gain from the increased Basic Allotment on salary increases;
 - \$5.0 billion for property tax relief through the compression of school district tax rates. Tier 1 tax rates are compressed to at least 93.0 percent, with additional compression beginning in fiscal year 2021 in districts where property value growth exceeds 2.5 percent; and
 - as a result of the school finance reform in House Bill 3, recapture payments are projected to decrease by \$3.5 billion during the 2020–21 biennium from what they otherwise would have been under current law.

MEDICAID

- Funding for the 2020–21 biennium includes \$66.5 billion in All Funds, including \$24.7 billion in General Revenue Funds and \$0.1 billion in General Revenue–Dedicated Funds, for the Texas Medicaid program. This amount is an increase of \$0.8 billion in All Funds and a decrease of \$1.9 billion in General Revenue Funds from 2018–19 biennial levels.
- Included in these amounts is \$61.5 billion in All Funds for Medicaid client services, \$1.8 billion in All Funds for programs supported by Medicaid funding, and \$3.1 billion in All Funds for administration of the Medicaid program and other programs supported by Medicaid funding. The net increase in Medicaid funding is due to a \$0.6 billion All Funds increase in Medicaid client services, a \$0.1 billion All Funds increase in other programs supported by Medicaid funding, and a \$0.1 billion All Funds increase in administrative funding.
- Increased All Funds funding for Medicaid client services supports caseload growth, maintains fiscal year 2019 average costs for most services, and provides funding for cost growth associated with average costs established by the federal government. Funding also is provided to support community-based long-term-care, including 1,628 additional waiver slots to reduce interest lists, attendant wage and rate-enhancement program increases, and rate increases for consumer-directed services and certain waivers. Rate increases also are provided for inpatient services and labor and delivery services provided by rural hospitals, intermediate care facilities for individuals with intellectual disabilities, Texas Health Steps private-duty nursing, and certain therapy services. These increases are offset by assumed savings associated with cost containment of \$0.9 billion in All Funds. More favorable Federal Medical Assistance Percentages result in a higher proportion of the program being funded with Federal Funds, more than offsetting increased General Revenue Funds demand associated with caseload and costs, resulting in an overall decrease to General Revenue Funds of \$2.0 billion. Full funding for anticipated increases in cost due to medical inflation, higher utilization, or increased acuity is not included.
- The 2018–19 biennial amounts for Medicaid assume supplemental funding to complete fiscal year 2019 expenditures.

TRANSPORTATION

- Funding provides \$31.1 billion in All Funds for all functions at the Department of Transportation, which includes the following amounts: an estimated \$5.0 billion in funding from anticipated state sales tax deposits to the State Highway

Fund (SHF) (Proposition 7, 2015); \$3.9 billion in funding from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014); and all available SHF funding from traditional transportation tax and fee revenue sources, estimated to be \$9.3 billion for the 2020–21 biennium.

- Funding provides \$27.2 billion in All Funds for highway planning and design, right-of-way acquisition, construction, and maintenance and preservation. The All Funds amount includes \$10.8 billion in Federal Funds; \$7.5 billion from traditional SHF revenue sources; \$4.4 billion from Proposition 7, 2015, proceeds and \$3.9 billion from Proposition 1, 2014, proceeds for constructing, maintaining, and acquiring rights-of-way for nontolled public roadways; and \$0.5 billion from the Texas Mobility Fund and regional toll project revenues.
- Funding provides \$2.2 billion in All Funds for debt service payments and other financing costs, including \$1.5 billion in Other Funds from the SHF and the Texas Mobility Fund; \$0.6 billion in Other Funds from Proposition 7, 2015, SHF proceeds for General Obligation bond debt service; and \$117.0 million in Federal Funds from Build America Bond interest payment subsidies.

DISASTER RECOVERY, INFRASTRUCTURE RESILIENCY, AND FLOOD INFRASTRUCTURE

- The supplemental appropriations bill provides \$3.5 billion from the Economic Stabilization Fund to fund a number of significant initiatives that address damage to the state due to Hurricane Harvey, provide state participation and facilitation of the draw-down of federal aid programs for local government recovery efforts, and invest in long-term infrastructure projects intended to lessen the effects to Texas from future disasters. Funding includes the following areas:
 - Hurricane Harvey relief to public schools through the Foundation School Program – \$806.5 million is provided to the Texas Education Agency to provide funding to school districts and charter schools affected by Hurricane Harvey. This amount includes funds for additional compensatory education-eligible students, facilities remediation costs, and amounts to hold schools harmless for revenue losses due to the loss of students and local property tax revenue due to the disaster;
 - Hurricane Harvey-related facilities damage recovery at institutions of higher education – institutions including University of Houston campuses, Lone Star College, and the University of Texas at Austin Marine Science Institute are appropriated \$74.8 million for assistance to repair damaged facilities; and
 - Hurricane Harvey-related response reimbursement and facilities damage recovery at state agencies – \$350.5 million is provided to state agencies, including the Department of Public Safety, the General Land Office, the Health and Human Services Commission, and the Texas Forest Service. These funds are primarily either to reimburse agencies for response costs incurred during the immediate aftermath of Hurricane Harvey, or to provide facilities repair funding.
- The supplemental appropriations bill provides \$1.68 billion in funding for the Texas Infrastructure Resiliency Fund and the Flood Infrastructure Fund, contingent on the enactment of Senate Bill 7, for the following purposes:
 - state participation in the nonfederal match for federal Harvey recovery programs – \$838.0 million in state funds to assist local entities in drawing down federal disaster recovery funds under the Federal Emergency Management Agency's (FEMA) Public Assistance and Hazard Mitigation grant programs, and long-term infrastructure projects by the U.S. Army Corps of Engineers; and
 - flood infrastructure – \$840.0 million to the Water Development Board to develop and fund projects under the State Flood Plan.
- The supplemental appropriations bill provides \$150.0 million to the Texas Soil and Water Conservation Board to fund the repair and improvement of earthen dams.

BEHAVIORAL HEALTH

- Funding includes \$4.4 billion in All Funds (\$3.3 billion in General Revenue Funds and General Revenue–Dedicated Funds) for non-Medicaid/Children’s Health Insurance Program (CHIP) behavioral health services. Funding supports programs at 23 agencies across six articles, and includes the following areas: funding for inpatient client services at state hospitals and community hospitals; deferred maintenance projects at state mental health hospitals; outpatient services provided through local mental health authorities and local behavioral health authorities; substance abuse prevention, intervention, and treatment services for adults and children; mental healthcare and substance abuse treatment for incarcerated offenders; mental healthcare services for veterans; and other services. This amount includes funding at the Texas Higher Education Coordinating Board for the Child Mental Health Care Consortium, contingent upon the passage of Senate Bill 11.
- Medicaid expenditures for behavioral health services, when including projected cost growth that is not funded, are estimated to total \$3.3 billion in All Funds for the 2020–21 biennium. CHIP expenditures, when including projected cost growth that is not funded, are estimated to total \$101.5 million in All Funds. Total behavioral health-related funding, including estimated Medicaid and CHIP expenditures, is estimated to be \$7.8 billion in All Funds for the biennium.
- The supplemental bill includes funding for construction at the state mental health hospitals and community mental health services.

CHILD PROTECTIVE SERVICES

- Funding of \$3.8 billion in All Funds, including \$2.2 billion in General Revenue Funds, is provided for all Child Protective Services (CPS) functions at the Department of Family and Protective Services. This amount is an increase of \$226.3 million in All Funds and \$167.5 million in General Revenue Funds from the 2018–19 biennial base.
- CPS funding includes a total of \$1.9 billion in All Funds and \$904.2 in General Revenue Funds for client services programs, including foster care, adoption subsidies, permanency care assistance payments, relative caregiver monetary assistance payments, and day care. These amounts also include funding for rate increases for certain foster care providers.
- Funding includes \$1.6 billion in All Funds and \$1.2 billion in General Revenue Funds for CPS direct delivery staff, including services provided through Community-based Care. This amount includes increased funding for additional full-time-equivalent (FTE) positions to maintain lower caseloads per worker for most caseworkers and to reduce caseloads per worker for conservatorship caseworkers. This amount also includes increased funding and a decrease in FTE positions to biennialize Community-based Care expansion that occurred during fiscal year 2019 and expand Community-based Care into two new regions, Regions 1 and 8B, and into stage 2 in Regions 3B, 2, and 8A.
- The Conference Committee version of the supplemental bill includes funding to complete fiscal year 2019 expenditures.

SCHOOL SAFETY

- Including amounts in the supplemental appropriations bill and funding contingent on enactment of legislation, funding for school safety programs includes an additional \$343.5 million in All Funds, including \$132.6 million in General Revenue Funds, and \$210.9 million in Other Funds from the Economic Stabilization Fund (ESF), and \$0.8 million in Federal Funds at the Health and Human Services Commission and public and higher education agencies and institutions. All Funds amounts include the following:
 - Health and Human Services Commission – \$8.9 million to expand Children’s Community Mental Health and \$4.6 million for grants to mental health professionals at local mental health authorities, contingent on enactment of House Bill 19;
 - public education – ESF funding of \$100.0 million for school safety infrastructure enhancements, \$100.0 million for the school safety allotment provided in Senate Bill 11, contingent on enactment of the bill; \$10.9 million for school

district reimbursement of post-disaster expenditures; and \$2.0 million in General Revenue Funds for customized school safety programming; and

- higher education – \$99.0 million for the Child Mental Health Consortium, contingent on enactment of Senate Bill 11; \$5.0 million for Texas Tech University Health Sciences Center’s Telemedicine Wellness Intervention Triage and Referral Program; and, at Texas State University, \$9.1 million for the School Safety Center and \$4.0 million for Advanced Law Enforcement Rapid Response Training.

HIGHER EDUCATION FORMULA FUNDING

- Higher education formulas are supported by \$8.1 billion in General Revenue Funds and \$1.4 billion in General Revenue–Dedicated Funds. Included in these amounts are an increase of \$915.5 million in General Revenue Funds and a decrease of \$10.8 million in General Revenue–Dedicated Funds, which primarily is statutory tuition, from the 2018–19 biennium.
- The General Revenue Funds increase includes \$485.9 million in new funding, plus \$429.6 million reallocated from non-formula support item and hold harmless funding to support the new mission-specific formulas for The University of Texas (UT) Southwestern Medical Center at Dallas, UT Health Science Center at Houston, UT Health Science Center at San Antonio, and the UT Medical Branch at Galveston.
- The 2020–21 biennial rates for all of the higher education formulas are increased from the 2018–19 biennial rates, except for the core operations portion of the public community and junior colleges formula, which is maintained at 2018–19 biennial funding levels.

TEACHER RETIREMENT AND HEALTH BENEFITS

- The supplemental appropriations bill includes a total of \$1.1 billion in All Funds above current law requirements for retirement benefits at the Teacher Retirement System (TRS), contingent on the enactment of Senate Bill 12. This amount includes \$524.0 million in Other Funds from the Economic Stabilization Fund (ESF) to increase the state for the 2020–21 biennium contribution to achieve actuarial soundness and \$589.0 million from the ESF for an additional onetime payment to certain TRS annuitants.
- Funding in House Bill 1 provides \$4.1 billion in All Funds for the current law state contribution to retirement benefits of the TRS, including \$4.1 billion in General Revenue Funds, \$48.8 million in General Revenue–Dedicated Funds, and \$9.1 million in Other Funds from the Teacher Retirement System Pension Trust Fund.
- Retiree health insurance funding totals \$1.1 billion in All Funds. Funding includes \$879.4 million in General Revenue Funds to provide a statutorily required state contribution to TRS-Care of 1.25 percent of public education payroll. Funding also includes \$230.8 million greater than statutorily required amounts in General Revenue Funds to maintain plan year 2019 TRS-Care premiums and benefits for the 2020–21 biennium.
- Funding for TRS assumes 3.9 percent annual public education payroll growth across retirement and TRS-Care strategies and 5.6 percent annual higher education payroll growth. These assumptions are based on payroll and method-of-finance trend data.

ADULT INCARCERATION

- Funding of \$6.9 billion in All Funds, including \$6.7 billion in General Revenue Funds and General Revenue–Dedicated Funds, is provided for the incarceration, probation, and parole of adult offenders in the Texas Department of Criminal Justice (TDCJ), which includes housing, security, classification, food and necessities, healthcare, and treatment services. All Funds increased by \$264.6 million for the 2020–21 biennium and includes the following General Revenue Funds amounts:
 - \$170.9 million for Correctional Managed Health Care (CMHC);
 - \$84.1 million to restructure the correctional and parole officers’ career ladder and provide salary increases;

- \$1.6 million to restructure the institutional parole and parole hearing officers' career ladder and provide salary increases;
- \$8.4 million for 200 additional sheltered housing beds at the Stiles Unit;
- \$4.8 million to expand services in rural areas for Texas Correctional Office on Offenders with Medical or Mental Impairments; and
- \$4.0 million for pretrial diversion grants to local Community Supervision and Corrections Departments.
- The supplemental appropriations bill includes the following amounts:
 - \$190.0 million in General Revenue Funds to fund CMHC fiscal year 2019 expenditures;
 - \$30.0 million in General Revenue Funds for correctional officer overtime during the 2018–19 biennium;
 - \$54.0 million in Other Funds from the Economic Stabilization Fund for the repair and rehabilitation of buildings and facilities;
 - \$38.6 million from the Economic Stabilization Fund for transfers from TDCJ to address Hurricane Harvey recovery during the 2018–19 biennium;
 - \$26.0 million from the Economic Stabilization Fund for the installation of comprehensive video surveillance systems in TDCJ's maximum security units; and
 - \$24.2 million from the Economic Stabilization Fund for implementation of a modern Corrections Information Technology System for offender management.

HUMAN TRAFFICKING PREVENTION AND LAW ENFORCEMENT

- Funding includes an estimated \$58.4 million for the prevention, investigation, and prosecution of human trafficking-related activities, an increase of \$39.6 million from the 2018–19 biennium. Funded initiatives include law enforcement; inspection and prosecution personnel at the Department of Public Safety, Alcoholic Beverage Commission, Department of Licensing and Regulation, Office of the Governor, and the Office of the Attorney General; and prevention services at the Department of Family and Protective Services, the Department of State Health Services, and the Department of Transportation. Additionally, a Human Trafficking Coordinating Council is established to coordinate statewide anti-human-trafficking efforts.

BORDER SECURITY

- Funding of \$800.6 million in All Funds is provided to fund border security purposes at nine state agencies across multiple articles of government. The majority of this funding, \$693.3 million, is provided to the Department of Public Safety (DPS).
- Border security funding maintains support for DPS personnel at fiscal year 2019 full deployment levels and eliminates funding for onetime and transitional expenditures. Significant funding items include the following: \$671.1 million in 2018–19 biennial base border security funding provided for the border security initiative, including a 50.0-hour work week for all DPS' commissioned law enforcement officers, full biennial costs for 22 Texas Rangers, 250 new troopers and associated support staff, and several other border security-related initiatives. Funding also includes \$9.3 million for human trafficking and antigang activities, \$7.0 million for Operation Drawbridge camera maintenance, \$0.8 million for a new Tactical Training Facility in Cameron County, and \$0.5 million in General Revenue Funds for the Texas Transnational Intelligence Center.
- Border security funding also includes \$53.5 million to the Trusteed Programs within the Office of the Governor for grants to local entities and other support, \$29.0 million to the Parks and Wildlife Department for enhanced game warden activity, and funding for investigations, prosecutions, and other border security-related activities across several state agencies.

DRIVER LICENSE SERVICES

- Funding includes \$490.6 million in All Funds for the Department of Public Safety's Driver License Program, which is an increase of \$212.4 million in All Funds from the 2018–19 biennium. Funding is increased by \$51.3 million to reclassify customer service representatives to license permit specialists and \$141.5 million to add an additional 762.0 FTE positions to fill all available work stations in current driver license offices. Additionally, funding is increased for new driver license offices.
- A rider and \$1.0 million in General Revenue Funds was added to the Department of Public Safety's bill pattern to direct the agency to contract with an independent third party, to conduct a study that examines and makes recommendations regarding the management, operating structure, and opportunities and challenges of transferring the driver license program to the Department of Motor Vehicles or becoming a standalone agency. The study must be submitted to the Legislature, the Governor, the Sunset Advisory Commission, the Department of Public Safety, and the Texas Department of Motor Vehicles no later than September 1, 2020.

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR

- Funding for the Trusted Programs within the Office of the Governor totals \$1.4 billion in All Funds for the 2020–21 biennium, a decrease of \$121.9 million, or 8.2 percent, from the 2018–19 biennium.
- Funding of \$100.0 million from the Economic Stabilization Fund in the supplemental appropriations bill is provided for disaster grants.
- Funding for economic development and jobs creation is included in Strategy C.1.1, Create Jobs and Promote Texas, which includes programs for economic development, tourism, film and music marketing, the Texas Enterprise Fund, military community support, and the Governor's University Research Initiative. Funding in the strategy for various economic development programs totals \$534.2 million in All Funds for the 2020–21 biennium, including the following amounts:
 - \$30.0 million in General Revenue Funds for the Defense Economic Adjustment Assistance grant program funding to provide assistance to military defense impacted communities;
 - \$74.0 million in General Revenue Funds and \$76.0 million in estimated unexpended balances remaining at the end of fiscal year 2019 in the Texas Enterprise Fund for incentive grants, a decrease of \$7.3 million in All Funds;
 - \$17.1 million in General Revenue Funds and \$22.9 million in estimated unexpended balances remaining at the end of fiscal year 2019 in the Governor's University Research Initiative for recruitment grants, a decrease of \$13.3 million in All Funds;
 - \$50.0 million in General Revenue Funds for the Moving Image Industry Incentive Program, a decrease of \$17.2 million in General Revenue Funds;
 - \$110.2 million in General Revenue–Dedicated Funds from Hotel Occupancy Tax deposits for tourism promotion. This amount maintains the \$34.2 million appropriated for the 2018–19 biennium, plus projected unobligated balances estimated at \$76.0 million; and
 - \$50.0 million in General Obligation Bond Proceeds for the Military Value Revolving Loan Program for loans to defense communities for economic development projects at the Texas Military Preparedness Commission.

STATE FACILITIES

- Funding for the 2020–21 biennium includes an additional \$1.2 billion for projects to address the repair, renovation, and new construction of state facilities and historic sites, to address health and safety issues, maintenance, and other state needs. This amount includes \$475.2 million in Revenue Bond Authority, \$273.2 million in General Revenue Funds, \$208.8 million from the Master Lease Purchase Program, \$131.5 million from the State Highway Fund, \$91.3 million from the Sporting Goods Sales Tax, \$32.8 million from the Economic Stabilization Fund, \$20.5 million in Federal Funds, and \$9.8 million in Other Funds.

- The supplemental appropriations bill includes \$543.9 million to construct new state hospital facilities, address issues at the Battleship Texas, implement state park repairs, and provide maintenance at institutions of higher education. This amount includes \$509.9 million from the Economic Stabilization Fund and \$34.0 million in General Revenue Funds.
- The following are among the major funded projects:
 - \$475.2 million in Revenue Bond Authority and \$7.3 million in General Revenue debt service for the Capitol Complex Phase 2 and North Austin Complex Phase 2 projects, and \$120.2 million from the General Revenue Fund for deferred maintenance and health and safety repairs at the Texas Facilities Commission;
 - \$445.4 million from the Economic Stabilization Fund in the supplemental appropriations bill for construction of new state hospital facilities, and \$208.8 million from the Master Lease Purchase Program and \$14.8 million in General Revenue debt service for deferred maintenance repairs at the Health and Human Services Commission;
 - \$131.5 million from the State Highway Fund for repair and rehabilitation, facility construction, and land acquisition at the Texas Department of Transportation;
 - \$99.3 million from the Sporting Goods Sales Tax and from the General Revenue–Dedicated Fund Account No. 9, Game, Fish and Water Safety, for planning, repair, and rehabilitation of facilities, and \$35.5 million from the Economic Stabilization Fund to address Battleship Texas repairs at the Texas Parks and Wildlife Department; and
 - \$54.0 million in General Revenue Funds for deferred maintenance and health and safety projects at the Texas Department of Criminal Justice.

JUDICIAL SALARY INCREASE

- Funding of \$34.0 million provides for judicial compensation based on a tiered, tenure-based structure for district judges, appellate court judges, the state prosecuting attorney, and professional prosecutors contingent on the enactment of House Bill 2384, or similar legislation relating to judicial compensation. If House Bill 2384, or similar legislation, is not enacted, all judicial salaries will continue to be funded at the 2018–19 biennial level. The last judicial salary increase was provided during the 2014–15 biennium.

STATE EMPLOYEE RETIREMENT, HEALTH BENEFITS, SOCIAL SECURITY, AND FULL-TIME-EQUIVALENT POSITIONS

- Funding of \$1.3 billion in All Funds, including \$972.6 million in General Revenue Funds and General Revenue–Dedicated Funds, is provided for the state contribution to the Employees Retirement System of Texas (ERS) retirement program. This amount is an increase of \$54.4 million in All Funds, including \$43.5 million in General Revenue Funds and General Revenue–Dedicated Funds, for state agency employees' retirement benefits, due to assuming 0.5 percent annual payroll growth and selected salary and staffing increases. Funding provides for a 9.5 percent state contribution rate for each fiscal year of the 2020–21 biennium. Funding also continues the additional retirement contribution from all general state agencies at 0.5 percent of the total base wages and salaries for each eligible employee for a total combined state contribution of 10.0 percent.
- Funding of \$4.0 billion in All Funds, including \$2.9 billion in General Revenue Funds and General Revenue–Dedicated Funds, is provided for the state contribution for group insurance benefits for general state employees, retirees, and their dependents. The funding is an increase of \$195.7 million in All Funds, including \$135.5 million in General Revenue Funds and General Revenue–Dedicated Funds, driven by assumed active and retired member growth. Funding does not provide a per-member contribution rate increase and instead relies upon the agency spending down the contingency reserve fund, which has achieved historically high fund balances due to savings in health plan contracts.
- Funding of \$143.1 million in General Revenue Funds is provided for health insurance contributions for local community supervision and correction department employees, retirees, and dependents who also participate in the state's Group Benefits Program. Funding provides an increase of \$4.0 million.

- Funding of \$1.8 billion in All Funds, including \$1.5 billion in General Revenue Funds and General Revenue–Dedicated Funds, is provided for the state contribution for Social Security payroll taxes for employees of state agencies and institutions of higher education, an increase of \$111.3 million. Funding is sufficient to provide the 6.2 percent Social Security employer contribution and the 1.45 percent Medicare employer contribution.
- Funding provides for 218,279.1 and 218,147.2 FTE positions for fiscal years 2020 and 2021, respectively. The number of FTE positions for fiscal year 2021 is an increase of 1,475.3 positions from fiscal year 2019 budgeted levels, to align with funding levels.

DEBT SERVICE

- Funding for the 2020–21 biennium fully funds debt service and totals \$4.2 billion in All Funds. This amount is a decrease of \$56.6 million, or 1.3 percent, from the 2018–19 biennium. Funding provides for debt service for General Obligation and revenue debt issued, or expected to be issued, by the Texas Public Finance Authority, the Facilities Commission, the Water Development Board, the Department of Transportation, and the Office of the Governor. Funding also provides for reimbursement of debt service payments for tuition revenue bonds issued by various institutions.

ECONOMIC STABILIZATION FUND

- No new appropriations of the Economic Stabilization Fund are included for the 2020–21 biennium in the Conference Committee Report on House Bill 1. The supplemental appropriations bill includes appropriations of \$4,967.7 million from the Economic Stabilization Fund for fiscal year 2019 and \$1,160.0 million for the 2020–21 biennium. The resulting cash balance of the fund plus the total asset value of investments is estimated to be \$9.2 billion at the end of fiscal year 2021.

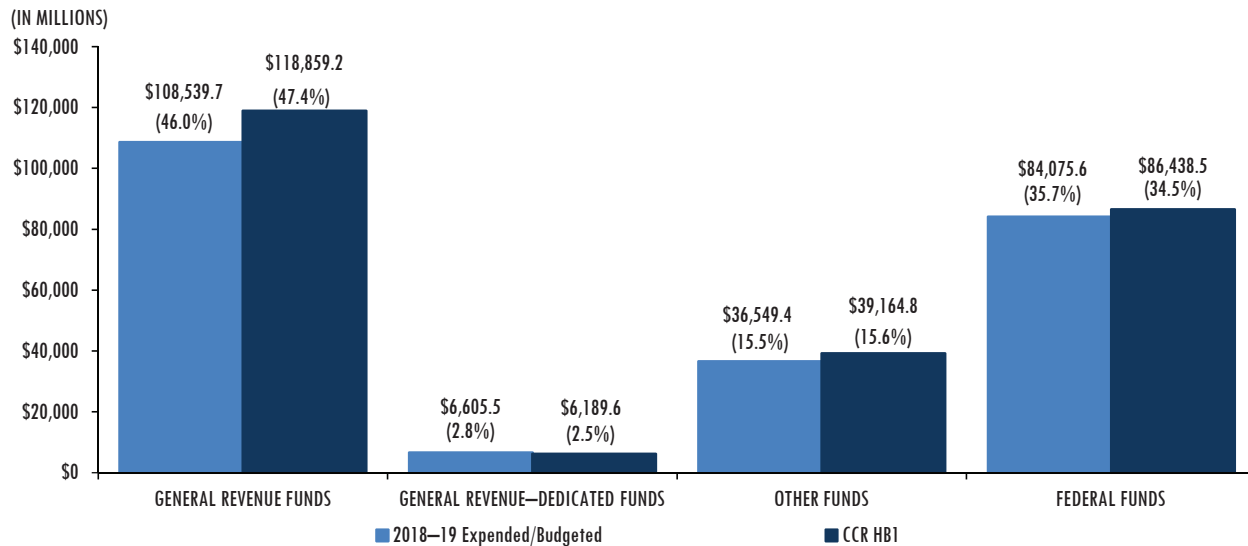
STRATEGIC FISCAL REVIEW

- Eleven state agencies were subject to the Strategic Fiscal Review (SFR) in preparation for the Eighty-sixth Legislature, 2019. The public service non-formula support items of institutions of higher education also were subject to the SFR. The SFR provided an in-depth analysis of the selected state agency programs and their relationships to the agency's mission and statutes. Legislative Budget Board staff analysis that resulted from this review was made available to the members of the Legislature to aid in their budget and policy deliberations.

BIENNIAL COMPARISON BY FUND SOURCE

Figure 15 shows a comparison of biennial amounts for each of the four fund sources, or Methods of Finance, in the state budget. Estimated and budgeted amounts for the 2018–19 biennium refer to agency-estimated expenditures for fiscal year 2018 and agency-budgeted amounts for fiscal year 2019. CCR HB1 refers to biennial amounts contained in this summary’s version of the 2020–21 General Appropriations Bill. Percentage amounts represent the percentage of the entire biennial budget represented by that fund source.

FIGURE 15
BIENNIAL COMPARISON BY FUND SOURCE OF 2018–19 ESTIMATED/BUDGETED AND 2020–21 CONFERENCE COMMITTEE REPORT FOR HOUSE BILL 1 AMOUNTS



NOTE: Other Funds excludes Interagency Contracts.
SOURCE: Legislative Budget Board.

FACTORS AFFECTING THE STATE BUDGET

Significant factors affecting the state budget can be divided into two categories: changes in the population served, and the cost of that service. Population based budget drivers include Medicaid, Children's Health Insurance Program (CHIP), and children in foster care, public and higher education enrollment, adult and juvenile institutional and probation populations, and retirement system enrollment.

Population change is one element that helps explain the growth in the budget. Cost-related factors can have an equal or greater effect on growth. For example, medical inflation impacts not only Medicaid and CHIP, but also inmate health care costs and state employee and teacher health care costs. Statutory requirements may also affect cost.

Figure 16 shows the population-based indicators that impact a large portion of the state budget.

FIGURE 16
POPULATION-BASED INDICATORS
FISCAL YEARS 2006 TO 2018

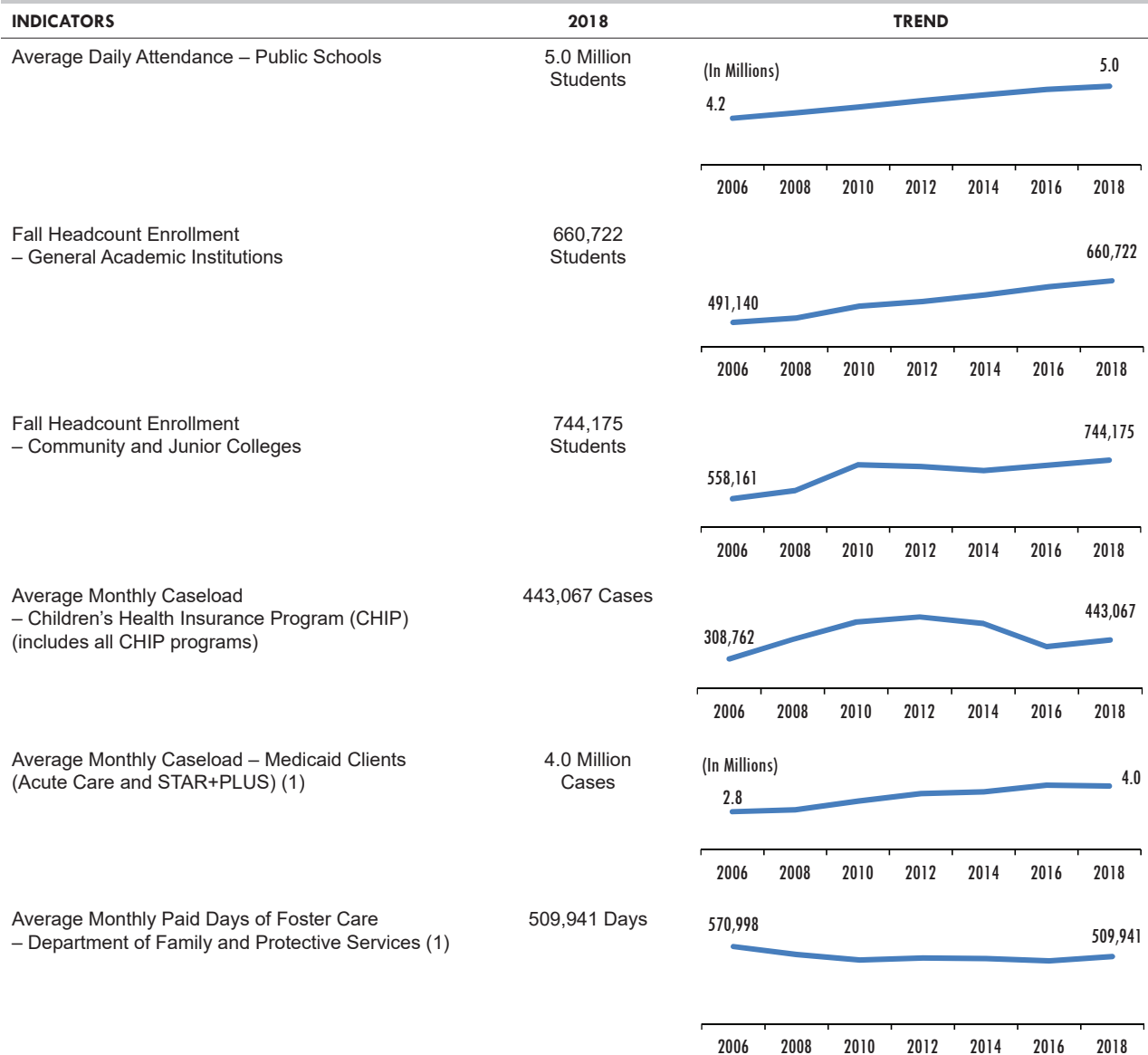


FIGURE 16 (CONTINUED)
POPULATION-BASED INDICATORS
FISCAL YEARS 2004 TO 2018



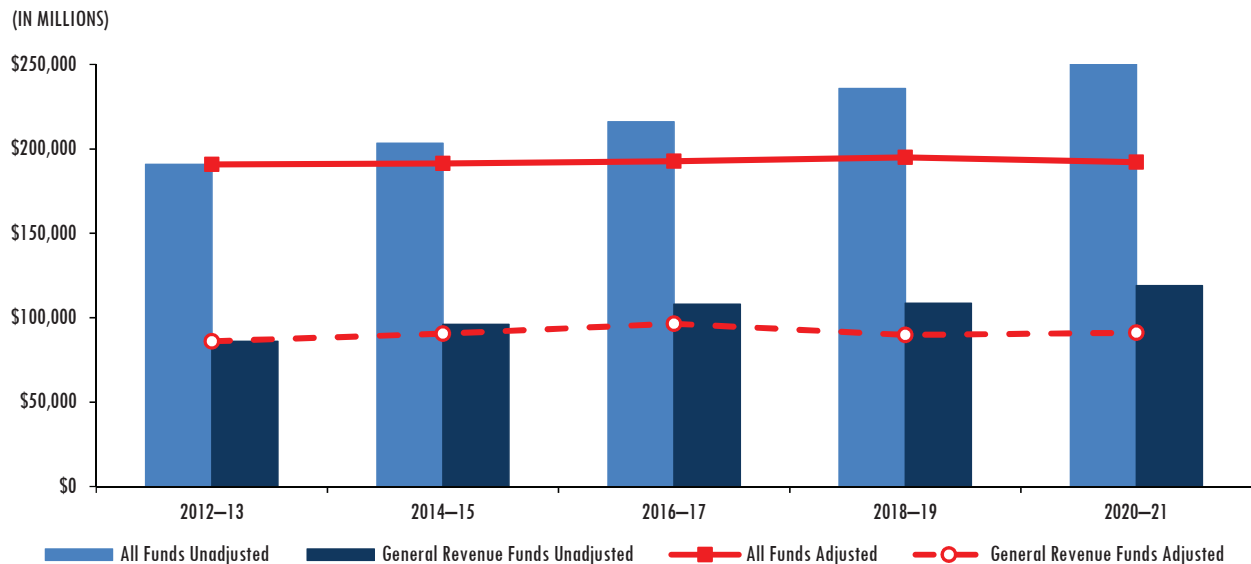
NOTE: (1) Amounts for 2018 are estimated.
 SOURCE: Legislative Budget Board.

TRENDS IN STATE GOVERNMENT EXPENDITURES

Figure 17 shows biennial All Funds and General Revenue Funds expenditures and appropriations since the 2012–13 biennium. The amounts also adjust current and historical expenditure and appropriation totals into 2012–13 biennial dollars based on compounded population and inflation growth. Totals for the 2018–19 biennium exclude appropriations in the supplemental appropriations bill. All Funds expenditures increased by 31.4 percent from the 2012–13 to 2020–21 biennia, and increased 0.7 percent after adjusting for population and inflation. General Revenue Funds appropriations increased by 38.2 percent during the same period and increased by 5.9 percent when adjusted.

FIGURE 17
TRENDS IN STATE GOVERNMENT EXPENDITURES, 2020–21 BIENNIAL APPROPRIATIONS IN CONFERENCE COMMITTEE
REPORT FOR HOUSE BILL 1

| BIENNIUM | ALL FUNDS | | | | GENERAL REVENUE FUNDS | | | |
|----------|---------------|-------------------|---------------------------------------|-------------------|-----------------------|-------------------|---------------------------------------|-------------------|
| | (IN MILLIONS) | | | | | | | |
| | UNADJUSTED | | ADJUSTED FOR POPULATION AND INFLATION | | UNADJUSTED | | ADJUSTED FOR POPULATION AND INFLATION | |
| | AMOUNT | PERCENTAGE CHANGE | AMOUNT | PERCENTAGE CHANGE | AMOUNT | PERCENTAGE CHANGE | AMOUNT | PERCENTAGE CHANGE |
| 2012–13 | \$190,755 | N/A | \$190,755 | N/A | \$86,016 | N/A | \$86,016 | N/A |
| 2014–15 | \$203,301 | 6.6% | \$191,461 | 0.4% | \$96,073 | 11.7% | \$90,478 | 5.2% |
| 2016–17 | \$215,992 | 6.2% | \$192,755 | 0.7% | \$108,007 | 12.4% | \$96,388 | 6.5% |
| 2018–19 | \$235,770 | 9.2% | \$195,033 | 1.2% | \$108,540 | 0.5% | \$89,786 | (6.8%) |
| 2020–21 | \$250,652 | 6.3% (1) | \$192,171 | (1.5%) (1) | \$118,859 | 9.5% (1) | \$91,127 | 1.5% (1) |



NOTE: (1) Adjusted to remove amounts appropriated for the 2020–21 biennium for property tax relief, the unadjusted All Funds change is 4.2 percent; the adjusted All Funds change is -3.4 percent; the unadjusted General Revenue Funds change is 4.9 percent; and the adjusted General Revenue Funds change is -2.8 percent.

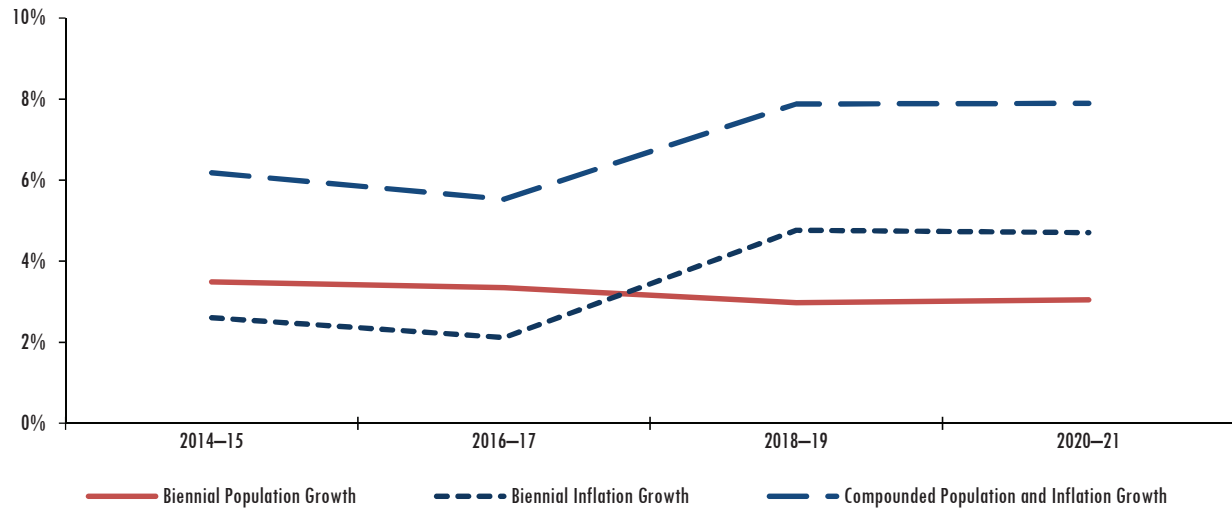
SOURCE: Legislative Budget Board.

Population and inflation is one tool used to compare budget growth; however, it does not tie directly to government budget drivers. For example, the Consumer Price Index (CPI) tracks the increased price of goods and services purchased by a typical family, such as groceries, clothing, housing, and private healthcare. Inflation of goods and services purchased by state

government, such as education, public healthcare, and infrastructure, tend to grow faster than the price of goods and services purchased by consumers.

The compounded population and CPI growth shown in **Figure 18** is based on data in the Comptroller of Public Accounts' Fall 2018 State Economic Forecast as published in the 2019 Biennial Revenue Estimate, which included a biennial growth rate of 7.90 percent from the 2018–19 to 2020–21 biennia. Population and inflation growth estimates submitted to the Legislative Budget Board (LBB) in anticipation of the January 2019 LBB board meeting ranged from 7.54 percent to 8.39 percent.

FIGURE 18
BIENNIAL POPULATION AND INFLATION GROWTH FROM 2014–15 TO 2020–21 BIENNIA



NOTE: Totals for the 2018–19 biennium exclude appropriations in the supplemental appropriations bill.
SOURCE: Texas Comptroller of Public Accounts.

LIMITS ON APPROPRIATIONS

Texas has four constitutional limits on spending: the balanced budget limit, which commonly is referred to as the pay-as-you-go limit; the limit on the rate of growth of appropriations from certain state taxes, commonly referred to as the spending limit; the limit on welfare spending; and the limit on tax-supported debt. The 2020–21 biennial appropriations made in the Conference Committee Report for House Bill 1 and the Supplemental Appropriations Bill are within all of these limits in conjunction with other legislation anticipated to be passed by the Eighty-sixth Legislature, 2019.

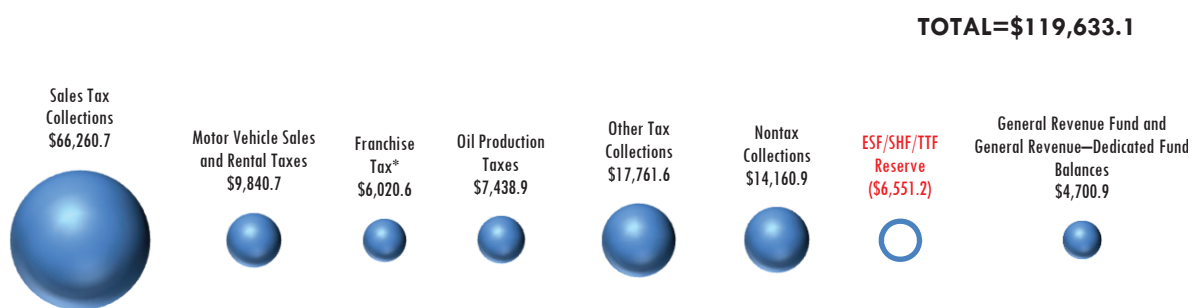
The pay-as-you-go limit and the spending limit both restrict appropriations, but in different ways. The pay-as-you-go limit prohibits the General Revenue Fund budget from exceeding available revenue. The spending limit prohibits appropriations funded with tax revenues that are not dedicated by the Texas Constitution from growing faster than the state's economy. The spending limit does not apply to appropriations funded with nontax revenues or appropriations funded with tax revenues if the constitution requires the tax revenue to be spent for a specific purpose.

ARTICLE III, SECTION 49A, PAY-AS-YOU-GO LIMIT

The Texas Constitution, Article III, Section 49a, sets the so-called pay-as-you-go limit. The constitution requires that bills making appropriations are sent to the Comptroller of Public Accounts (CPA) for certification that the appropriations are within estimates of available revenue.

CPA identifies the pay-as-you-go limit for General Revenue Funds appropriations as \$119.1 billion in the *2019 Biennial Revenue Estimate* (BRE); this limit was revised by the CPA in May 2019 (see the following paragraph). This total includes estimated 2020–21 biennial General Revenue Funds revenue collections of \$121.5 billion, less the amount of \$6.6 billion in General Revenue Funds deposits reserved for transfer to the Economic Stabilization Fund, the State Highway Fund, and the Texas Tomorrow Fund. This total also includes the beginning General Revenue Fund balance and General Revenue–Dedicated Funds account balances available for certification totaling \$4.2 billion (see **Figure 19**). Legislative actions increasing or decreasing revenue collections will change the total amount of revenue available.

FIGURE 19
COMPONENTS OF THE PAY-AS-YOU-GO LIMIT, 2020–21 BIENNIUM



NOTES:

- (1) General Revenue Fund portion.
 - (2) ESF=Economic Stabilization Fund; SHF=State Highway Fund.; TTF=Texas Tomorrow Fund.
- SOURCE: Legislative Budget Board.

The \$119.6 billion in available revenue applies to 2020–21 biennial General Revenue Funds appropriations and to fiscal year 2019 supplemental General Revenue Funds appropriations. Consequently, supplemental General Revenue Funds appropriations for fiscal year 2019 decrease General Revenue Funds spending capacity proportionately for the 2020–21 biennium. Other actions that affect available revenue for certification relative to the \$119.1 billion estimated in the BRE include the CPA's May 14, 2019, BRE revision, which increased available revenue by \$0.5 billion. After considering all actions by the Eighty-sixth Legislature, 2020–21 biennial appropriations made in the Conference Committee Report for House Bill 1 and the Supplemental Appropriations Bill are within the pay-as-you-go limit.

ARTICLE VIII, SECTION 22, LIMITATION ON THE GROWTH OF CERTAIN APPROPRIATIONS

The Texas Constitution, Article VIII, Section 22, prohibits appropriations funded with state tax revenues not dedicated by the constitution from growing faster than the estimated rate of growth of the state's economy. Consequently, the revenue source funding appropriations determines if the appropriations are subject to the spending limit. Appropriations funded with tax revenues are subject to the spending limit unless the constitution dedicates the tax revenue for a specific purpose. The spending limit does not apply to appropriations funded with nontax revenues or appropriations funded with tax revenues if the constitution requires the tax revenue to be spent for a specific purpose. Appropriations for the 2020–21 biennium that are subject to the spending limit in the Conference Committee Report for House Bill 1 and the supplemental appropriations bill are within the spending limit.

ARTICLE III, SECTION 49 (J), DEBT LIMIT

The Texas Constitution, Article III, Section 49(j), provides that the Legislature may not authorize additional state debt if in any fiscal year the resulting maximum annual debt service payable from the General Revenue Fund, excluding revenues constitutionally dedicated for purposes other than payment of state debt, exceeds 5.0 percent of the average annual unrestricted General Revenue Funds for the previous three years. To monitor where the state stands in relation to the constitutional debt limit (CDL), the Bond Review Board (BRB) calculates two debt ratios. The first ratio is the debt service on outstanding or issued debt as a percentage of unrestricted General Revenue Funds. At the end of fiscal year 2018, the BRB reported that the issued debt ratio is 1.33 percent. The second debt ratio is the debt service on outstanding debt plus estimated debt service for authorized but unissued bonds. For this ratio, the BRB has reported that the state is at 2.20 percent of unrestricted General Revenue Funds at the end of fiscal year 2018. The latter calculation represents a 6.4 percent decrease from the 2.35 percent calculated for outstanding and authorized but unissued debt for fiscal year 2017. The BRB expects the CDL ratio to continue to decrease with the issuance of authorized debt. However, the CDL ratio could be affected by changes to any of the following factors: the three-year average of unrestricted General Revenue Funds, the amount of debt outstanding and unissued debt authorizations, and actual and assumed interest rates. Appropriations include new debt authorizations for the Cancer Prevention Research Institute of Texas, the Texas Facilities Commission, and the Health and Human Services Commission, which will impact the CDL beginning in fiscal year 2020.

ARTICLE III, SECTION 51-A, WELFARE SPENDING LIMIT

The Texas Constitution, Article III, Section 51-a, requires that the amount paid out of state funds for assistance grants to or on behalf of needy dependent children and their caretakers shall not exceed 1.0 percent of the state budget for any biennium.

The 2020–21 biennial budget defined in the Texas Human Resources Code, Section 31.053, is \$250.6 billion. Therefore, the welfare spending limit is \$2.5 billion. The biennial amount in the Conference Committee Report on House Bill 1 for the 2020–21 biennium that is subject to the limit on state dollars paid out in Temporary Assistance for Needy Families (cash assistance) grants is \$96.3 million, which is \$2.4 billion less than the 1.0 percent limit.

TEXAS ECONOMIC OUTLOOK

Economic conditions and demographic trends influence the level of state appropriations and the revenue used to support those appropriations. As the economy expands, more revenue is available for appropriation. Some spending demands are lessened by a growing economy, and others are increased. For example, a growing economy can decrease pressure on Medicaid enrollment, but it also increases migration into Texas, which increases the demand for public education and other services. Furthermore, healthcare and higher education inflation rates tend to outpace other types of inflation. This section provides a high-level look at the economic conditions expected to prevail during the upcoming biennium. All economic forecasts are provided by the Comptroller of Public Accounts (CPA).

INDUSTRIAL OUTLOOK

Texas Real Gross State Product (GSP) experienced strong growth after the end of the recent recession, averaging 4.1 percent from fiscal years 2011 to 2015. Texas Real GSP growth slowed to 1.1 percent for fiscal year 2016 and 0.7 percent for fiscal year 2017, coinciding with the slowdown in the oil and gas extraction industry. However the industry rebounded strongly during fiscal year 2018, helping the overall state GSP expand by 3.0 percent. Growth is expected to remain strong for fiscal year 2019 at 4.0 percent, before moderating to 2.8 percent for fiscal year 2020 and 2.3 percent for fiscal year 2021.

EMPLOYMENT

The Texas unemployment rate peaked at just more than 8.0 percent during the 2010–11 biennium. Since the recession ended, the rate has decreased steadily, reaching less than 5.0 percent at the end of calendar year 2014 for the first time since the middle of 2008, and reaching less than 4.0 percent by the end of fiscal year 2018. This decrease can be attributed to a mix of moderately decreasing labor participation rates and strong job growth in the state. The Texas unemployment rate is forecast to remain at less than 4.0 percent during the 2020–21 biennium. Nonfarm payroll jobs in Texas are expected to increase by 2.5 percent for fiscal year 2019, with 633,600 jobs expected to be added during the current biennium. Job growth is expected to grow at a slower pace during the 2020–21 biennium, increasing by 1.9 percent for fiscal year 2020 and 1.3 percent for fiscal year 2021.

PERSONAL INCOME

Fiscal year 2018 personal income increased by 4.9 percent in Texas to reach \$1.4 trillion. Personal income is expected to increase by 5.0 percent for fiscal year 2020 and by 4.9 percent for fiscal year 2021.

Figure 20 shows key economic indicators from fiscal years 2009 to 2021. All forecasted data for fiscal years 2019 to 2021 is from the CPA's *2019 Biennial Revenue Estimate*.

FIGURE 20
ECONOMIC-BASED INDICATORS, FISCAL YEARS 2009 TO 2021 (1)

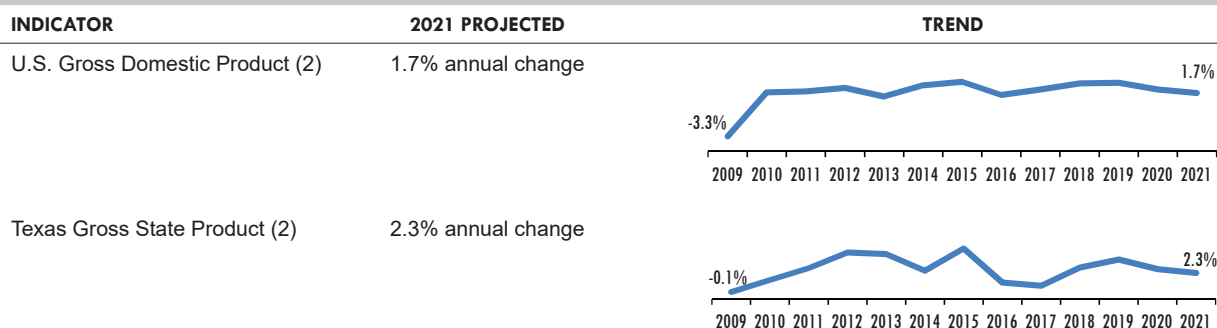


FIGURE 20 (CONTINUED)
ECONOMIC-BASED INDICATORS, FISCAL YEARS 2009 TO 2021 (1)



NOTES:

(1) Trends for fiscal years 2019 to 2021 are based on projections from the Comptroller of Public Accounts' 2019 Biennial Revenue Estimate.

(2) Amounts for the U.S. Gross Domestic Product and the Texas Gross State Product are based on 2012 dollars.

(3) MMBTU=million British Thermal Units.

SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

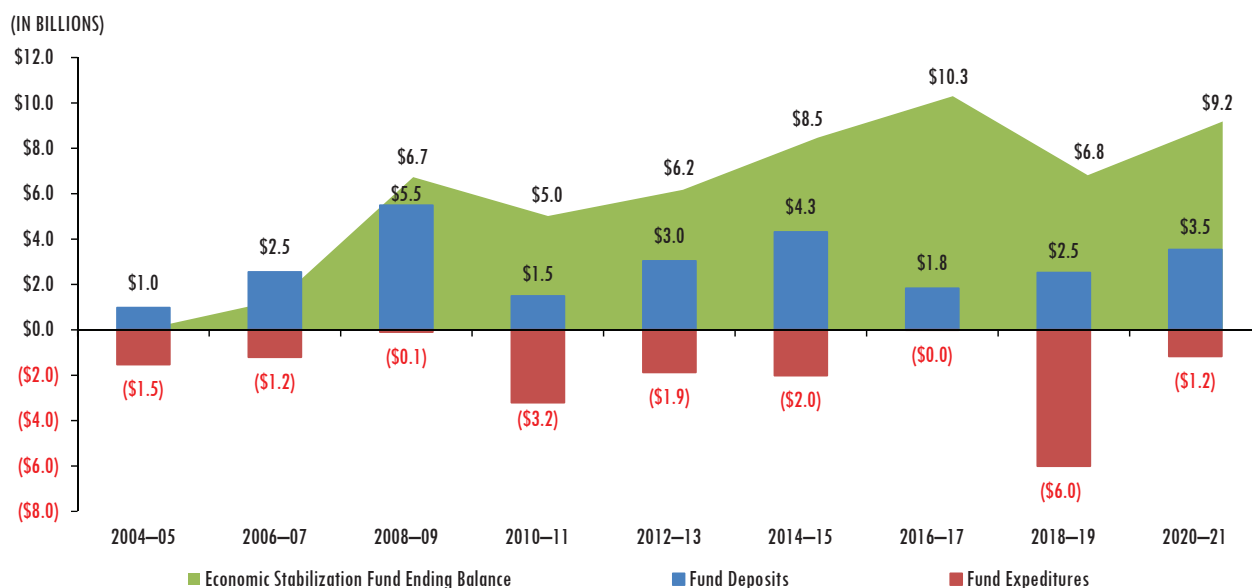
ECONOMIC STABILIZATION FUND

The Texas Constitution Article III, Section 49-g, established the Economic Stabilization Fund (ESF). Appropriations can be made from the fund within certain fiscal conditions with a three-fifths vote of each legislative chamber. Appropriations also can be made for any purpose with a two-thirds vote of each legislative chamber. House Bill 903, Eighty-fourth Legislature, 2015, directed the Comptroller of Public Accounts (CPA) to invest a portion of the cash balance of the ESF in assets outside of the Treasury Pool, with the goal of obtaining a higher rate of return. Beginning September 1, 2015, CPA established the Texas Economic Stabilization Investment Fund (TESTIF) to invest a portion of the ESF pursuant to this legislation.

CPA forecasts the 2020–21 biennial ending cash balance of the ESF plus the total asset value of the TESTIF to be \$15.6 billion. The Conference Committee Report on House Bill 1 contains no appropriations from the fund. The supplemental appropriations bill includes appropriations of \$6,127.7 million from the fund, which, along with a decrease of interest and investment income, will lower the 2020–21 projected ending balance to \$9.2 billion.

Figure 21 shows the history of ESF deposits, expenditures, and balances from the 2004–05 to 2020–21 biennia.

FIGURE 21
ECONOMIC STABILIZATION FUND BIENNIAL DEPOSITS, EXPENDITURES, INVESTMENTS, AND FUND BALANCE
2004–05 TO 2020–21 BIENNIA



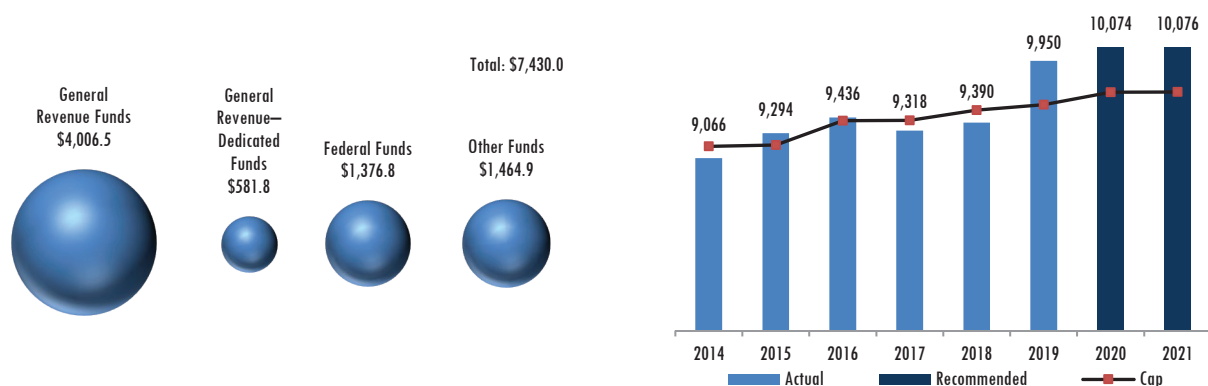
NOTE: Amounts for fiscal years 2019 to 2021 are projections based on the Comptroller of Public Accounts' 2019 Biennial Revenue Estimate and adjusted for Economic Stabilization Fund appropriations made in the Supplemental Appropriations Bill.

SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

ARTICLE I – GENERAL GOVERNMENT

FIGURE 22
ARTICLE I – GENERAL GOVERNMENT, BY METHOD OF FINANCE

| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|--|-------------------------------|---------------------------------------|--------------------|----------------------|
| METHOD OF FINANCE | | | | |
| General Revenue Funds | \$3,406.9 | \$4,006.5 | \$599.7 | 17.6% |
| General Revenue–Dedicated Funds | \$858.5 | \$581.8 | (\$276.7) | (32.2%) |
| Federal Funds | \$1,264.2 | \$1,376.8 | \$112.5 | 8.9% |
| Other Funds | \$1,973.7 | \$1,464.9 | (\$508.8) | (25.8%) |
| Total, All Methods of Finance | \$7,503.3 | \$7,430.0 | (\$73.3) | (1.0%) |
| ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS) | | FULL-TIME-EQUIVALENT POSITIONS | | |



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.
- (3) Full-time-equivalent positions at the Employees Retirement System are not included in article or bill recapitulations.

SOURCES: Legislative Budget Board; State Auditor's Office.

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE I

All Funds for the General Government agencies total \$7.4 billion for the 2020–21 biennium, a \$73.3 million, or 0.1 percent, decrease from the 2018–19 biennium. General Revenue Funds total \$4.0 billion, an increase of \$599.7 million, or 17.6 percent.

HIGHLIGHTS

- Funding for the Commission on the Arts totals \$27.9 million in All Funds for the 2020–21 biennium, which is an increase of \$14.9 million from the 2018–19 biennium, due primarily to General Revenue Funds for Cultural District Arts and Military Arts Healing grants programs and a grant for a cultural and performing arts center.
- Funding for the Office of the Attorney General totals \$1.4 billion in All Funds for the 2020–21 biennium, which is an increase of \$111.7 million from the 2018–19 biennium. This increase is attributed primarily to an additional \$89.9 million in All Funds for a major information resource project and \$18.5 million in additional General Revenue–Dedicated Funds from Account No. 469, Compensation to Victims of Crime. Additionally, the bill directs that the Texas Child Support Enforcement System 2.0 be canceled, and no funds are appropriated for the project.
- The Cancer Prevention and Research Institute of Texas is funded at \$600.1 million for the 2020–21 biennium. This amount includes \$436.0 million in remaining available bond proceeds, and \$164.0 million in new General Obligation

Bond Proceeds, contingent upon enactment of House Joint Resolution 12, Eighty-sixth Legislature, 2019, and voter approval to increase bond authority for the agency from \$3.0 billion to \$6.0 billion.

- Funding for the Comptroller of Public Accounts totals \$654.5 million in All Funds for the 2020–21 biennium, which is an increase of \$13.9 million. The increase is related primarily to additional funding for information technology projects and services.
- Funding for Fiscal Programs within the Comptroller of Public Accounts totals \$1.2 billion in All Funds for the 2020–21 biennium, an increase of \$31.2 million. The increase is related primarily to agency estimates for certain statutorily required disbursements and changes to funding levels to various programs. The supplemental appropriations bill provides an estimated \$211.0 million from the Economic Stabilization Fund for the Texas Guaranteed Tuition Plan, also known as the Texas Tomorrow Fund, which is backed by the full faith and credit of the state and is expected to run out of cash in fiscal year 2020.
- Funding for the Texas Ethics Commission totals \$7.1 million in All Funds for the 2020–21 biennium, which is an increase of \$1.2 million from the 2018–19 biennium, due primarily to increased funding relating to information technology projects.
- Funding for the Texas Facilities Commission totals \$738.2 in All Funds for the 2020–21 biennium, which is an All Funds net decrease of \$289.3 million from the 2018–19 biennium. Funding for the 2020–21 biennium includes an additional \$475.2 million in Revenue Bond Authority for new construction projects, and an additional \$120.2 million in General Revenue Funds for deferred maintenance projects.
- Funding for the Trusted Programs within the Office of the Governor includes a net decrease of \$121.9 million in All Funds from the 2018–19 biennium. Funding includes \$30.0 million in General Revenue Funds to provide funding to the Defense Economics Adjustment Assistance Grant program, \$150.0 million in All Funds for the Texas Enterprise Fund, \$40.0 million in All Funds for the Governor’s University Research Initiative, and \$50.0 million in General Revenue Funds for the Film and Music Program. Decreases in All Funds are associated with the elimination of onetime revenues. Additionally, \$100.0 million from the Economic Stabilization Fund is provided in the supplemental appropriations bill for disaster grants.
- Funding for the Historical Commission totals \$59.7 million in All Funds for the 2020–21 biennium, which is a decrease of \$11.7 million from the 2018–19 biennium, primarily due to a decrease in funding from the Economic Stabilization Fund for Courthouse Preservation Grants and to capital projects at the agency’s historic sites. The supplemental appropriations bill provides \$25.0 million from the Economic Stabilization Fund for fiscal year 2019 for Courthouse Preservation Grants and \$7.0 million for capital projects at historic sites and the agency’s offices within the Capitol Complex.
- Funding for the Department of Information Resources totals \$865.9 million in All Funds, primarily Other Funds from Interagency Contracts and Appropriated Receipts, for the 2020–21 biennium, an increase of \$139.9 million. The increase is due primarily to an estimated increase in data center services and Texas.gov receipts for implementation of and enhancements to the Texas.gov state website. Increases also include \$8.0 million in General Revenue Funds to provide multifactor authentication to the state’s high-risk information technology systems, secure coding training to developers across state agencies, and to provide a security rating of state agencies’ public-facing websites.
- Funding for the Texas State Library and Archives Commission totals \$71.2 million in All Funds for the 2020–21 biennium, which is an increase of \$1.6 million from the 2018–19 biennium. The increase is related primarily to onetime grants to provide library services and enhancements to certain communities, increased demand for state records storage, and increased funding due to rising costs for library resource sharing. The supplemental appropriations bill includes \$4.4 million in General Revenue Funds to renovate state-owned space to meet demand for records storage.
- Funding for the State Office of Risk Management totals \$108.8 million in All Funds for the 2020–21 biennium which is an increase of \$1.8 million from the 2018–19 biennium. The increase will be used to implement a cloud-enabled Risk Management Information System to upgrade and streamline services to participating agencies.

- Funding for the Secretary of State totals \$84.4 million in All Funds for the 2020–21 biennium, which is an increase of \$16.3 million from the 2018–19 biennium, largely due to the receipt of a federal grant and increased funding for primary election reimbursements and information technology projects.

Figure 23 shows the All Funds appropriation for each agency in Article I, and **Figure 24** shows the General Revenue Funds appropriation for each agency.

FIGURE 23
ARTICLE I – GENERAL GOVERNMENT, ALL FUNDS

| (IN MILLIONS) FUNCTION | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|---|-------------------------------|--------------------|--------------------|----------------------|
| Commission on the Arts | \$13.0 | \$27.9 | \$14.9 | 114.8% |
| Office of the Attorney General | \$1,248.1 | \$1,359.8 | \$111.7 | 8.9% |
| Bond Review Board | \$1.6 | \$1.8 | \$0.2 | 11.1% |
| Cancer Prevention and Research Institute of Texas | \$595.2 | \$600.1 | \$4.9 | 0.8% |
| Comptroller of Public Accounts | \$640.6 | \$654.5 | \$13.9 | 2.2% |
| Fiscal Programs within the Comptroller of Public Accounts | \$1,210.1 | \$1,241.3 | \$31.2 | 2.6% |
| Commission on State Emergency Communications | \$144.8 | \$153.8 | \$8.9 | 6.2% |
| Texas Emergency Services Retirement System | \$4.1 | \$4.1 | \$0.0 | 0.0% |
| Employees Retirement System | \$27.2 | \$27.5 | \$0.3 | 1.1% |
| Texas Ethics Commission | \$5.9 | \$7.1 | \$1.2 | 21.0% |
| Facilities Commission | \$1,027.6 | \$738.2 | (\$289.4) | (28.2%) |
| Public Finance Authority | \$3.0 | \$3.1 | \$0.1 | 3.3% |
| Office of the Governor | \$31.5 | \$24.9 | (\$6.6) | (20.9%) |
| Trusted Programs within the Office of the Governor | \$1,479.6 | \$1,357.7 | (\$121.9) | (8.2%) |
| Historical Commission | \$71.4 | \$59.7 | (\$11.7) | (16.4%) |
| Department of Information Resources | \$726.1 | \$865.9 | \$139.9 | 19.3% |
| Library and Archives Commission | \$69.6 | \$71.2 | \$1.6 | 2.4% |
| Pension Review Board | \$2.0 | \$2.1 | \$0.1 | 7.7% |
| Preservation Board | \$37.1 | \$21.8 | (\$15.2) | (41.1%) |
| State Office of Risk Management | \$107.0 | \$108.8 | \$1.8 | 1.7% |
| Secretary of State | \$68.1 | \$84.4 | \$16.3 | 24.0% |
| Veterans Commission | \$91.7 | \$95.0 | \$3.3 | 3.6% |
| Subtotal, General Government | \$7,605.2 | \$7,510.9 | (\$94.3) | (1.2%) |
| Employee Benefits and Debt Service | \$765.0 | \$854.3 | \$89.3 | 11.7% |
| Less Interagency Contracts | \$866.9 | \$935.2 | \$68.3 | 7.9% |
| Total, All Functions | \$7,503.3 | \$7,430.0 | (\$73.3) | (1.0%) |

NOTES:

(1) Excludes Interagency Contracts.

(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 24
ARTICLE I – GENERAL GOVERNMENT, GENERAL REVENUE FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED | CCR HB1 | BIENNIAL | PERCENTAGE |
|---|--------------------|------------------|----------------|--------------|
| FUNCTION | 2018–19 | 2020–21 | CHANGE | CHANGE |
| Commission on the Arts | \$9.9 | \$25.4 | \$15.4 | 155.1% |
| Office of the Attorney General | \$474.6 | \$499.6 | \$25.0 | 5.3% |
| Bond Review Board | \$1.6 | \$1.8 | \$0.2 | 11.1% |
| Cancer Prevention and Research Institute of Texas | \$0.0 | \$0.0 | \$0.0 | N/A |
| Comptroller of Public Accounts | \$603.1 | \$646.0 | \$42.9 | 7.1% |
| Fiscal Programs within the Comptroller of Public Accounts | \$1,124.6 | \$1,160.2 | \$35.6 | 3.2% |
| Commission on State Emergency Communications | \$0.0 | \$0.0 | \$0.0 | N/A |
| Texas Emergency Services Retirement System | \$1.4 | \$1.4 | \$0.0 | 0.0% |
| Employees Retirement System | \$27.2 | \$27.5 | \$0.3 | 1.1% |
| Texas Ethics Commission | \$5.9 | \$7.1 | \$1.3 | 21.4% |
| Facilities Commission | \$76.2 | \$221.4 | \$145.3 | 190.8% |
| Public Finance Authority | \$1.7 | \$1.6 | (\$0.1) | (5.0%) |
| Office of the Governor | \$31.4 | \$24.9 | (\$6.6) | (20.9%) |
| Trusted Programs within the Office of the Governor | \$300.0 | \$436.6 | \$136.6 | 45.5% |
| Historical Commission | \$37.6 | \$54.8 | \$17.3 | 46.0% |
| Department of Information Resources | \$3.2 | \$11.2 | \$8.0 | 248.8% |
| Library and Archives Commission | \$30.5 | \$33.5 | \$3.0 | 9.9% |
| Pension Review Board | \$2.0 | \$2.1 | \$0.1 | 7.7% |
| Preservation Board | \$36.9 | \$21.8 | (\$15.1) | (41.0%) |
| State Office of Risk Management | \$0.0 | \$0.0 | \$0.0 | N/A |
| Secretary of State | \$43.9 | \$51.8 | \$8.0 | 18.1% |
| Veterans Commission | \$26.7 | \$28.9 | \$2.2 | 8.4% |
| Subtotal, General Government | \$2,838.4 | \$3,257.8 | \$419.3 | 14.8% |
| Subtotal, Employee Benefits and Debt Service | \$568.4 | \$748.8 | \$180.3 | 31.7% |
| Total, All Functions | \$3,406.9 | \$4,006.5 | \$599.7 | 17.6% |

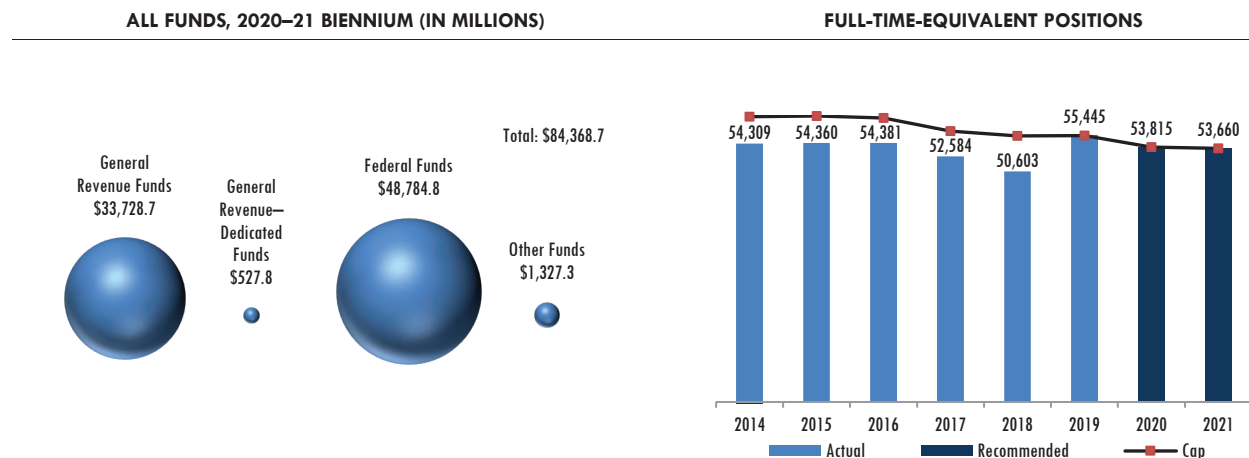
NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

ARTICLE II – HEALTH AND HUMAN SERVICES

FIGURE 25
ARTICLE II – HEALTH AND HUMAN SERVICES, BY METHOD OF FINANCE

| (IN MILLIONS) | | | | |
|--------------------------------------|-------------------------------|--------------------|--------------------|----------------------|
| METHOD OF FINANCE | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
| General Revenue Funds | \$34,716.3 | \$33,728.7 | (\$987.6) | (2.8%) |
| General Revenue–Dedicated Funds | \$566.9 | \$527.8 | (\$39.0) | (6.9%) |
| Federal Funds | \$46,704.3 | \$48,784.8 | \$2,080.5 | 4.5% |
| Other Funds | \$1,596.7 | \$1,327.3 | (\$269.4) | (16.9%) |
| Total, All Methods of Finance | \$83,584.2 | \$84,368.7 | \$784.5 | 0.9% |



NOTES:

- (1) May include anticipated supplemental spending adjustments.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCES: Legislative Budget Board; State Auditor's Office.

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE II

All Funds for the Health and Human Services agencies total \$84.4 billion, an increase of \$0.8 billion from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$34.3 billion, a decrease of \$1.0 billion from the 2018–19 biennium.

Appropriations for Health and Human Services encompass multiple programs, but the biennial All Funds increase is primarily the result of the following areas:

- an increase of \$0.2 billion associated with child protective services programs, including foster care;
- an increase of \$0.6 billion for Medicaid client services, including rate increases for certain providers and expansion of community-based long-term care;
- an increase of \$0.3 billion in All Funds for other client services programs at the Health and Human Services Commission, including women's health, community mental health, and early childhood intervention services;
- a decrease of \$0.5 billion in Federal Funds associated with onetime disaster-related federal funding and the Opioid State Targeted Response federal grant;

- more favorable Federal Medical Assistance Percentages result in a higher proportion of the Medicaid program being funded with Federal Funds, more than offsetting increased General Revenue Funds demand associated with caseloads and costs, resulting in an overall decrease to General Revenue Funds;
- an increase of \$141.2 million in All Funds for operation of state supported living centers and state mental health hospitals and to increase capacity at community mental health hospitals; and
- an increase of \$236.0 million in All Funds for deferred maintenance projects and other repairs at state-owned facilities, offset by a decrease of \$460.0 million in Other Funds associated with funds from the Economic Stabilization Fund appropriated for capital repairs and renovations at state-owned facilities during the 2018–19 biennium.

HIGHLIGHTS

- Funding of \$66.4 billion in All Funds, including \$24.7 billion in General Revenue Funds and \$0.1 billion in General Revenue–Dedicated Funds, is provided to the three health and human services agencies for the Texas Medicaid program. This amount is an increase of \$0.8 billion in All Funds and a decrease of \$1.9 billion in General Revenue Funds and includes the following:
 - \$61.5 billion in All Funds for Medicaid client services, \$1.8 billion in All Funds for programs supported by Medicaid funding, and \$3.1 billion in All Funds for administration of the Medicaid program and other programs supported by Medicaid funding. The increase in Medicaid funding is due to increases of \$0.6 billion in All Funds for Medicaid client services, \$0.1 billion in All Funds for other programs supported by Medicaid funding, and \$0.1 billion in All Funds for administrative funding;
 - increased All Funds provided for Medicaid client services support caseload growth, maintain fiscal year 2019 average costs for most services, and provide funding for cost growth associated with average costs established by the federal government. Funding also is provided to support community-based long-term-care and includes \$259.8 million in All Funds to provide for 1,628 additional waiver slots to reduce the interest list for certain community-based waiver services, attendant wage and rate enhancement program increases, and rate increases for consumer-directed services and certain waivers. Funding also includes \$232.6 million in All Funds for rate increases for inpatient services and labor and delivery services provided by rural hospitals, intermediate care facilities for individuals with intellectual disabilities, Texas Health Steps private-duty nursing, and certain therapy services. More favorable Federal Medical Assistance Percentages result in a higher proportion of the program being funded with Federal Funds, more than offsetting increased General Revenue Funds demand associated with caseload and costs, resulting in an overall decrease to General Revenue Funds of \$1.9 billion. Funding levels assume savings of \$0.9 billion in All Funds for Medicaid cost-containment initiatives. Full funding for anticipated increases in cost due to medical inflation, higher utilization, or increased acuity is not included; and
 - the 2018–19 biennial amounts for Medicaid assume supplemental funding to complete fiscal year 2019 expenditures.
- Funding for non-Medicaid/CHIP behavioral health services at the three health and human services agencies totals \$3.3 billion in All Funds, including \$2.5 billion in General Revenue Funds and General Revenue–Dedicated Funds, which includes funding for community mental health services; mental health services for veterans; inpatient mental health services at state-owned and community hospitals; and substance abuse prevention, intervention, and treatment services. This amount is a decrease of \$58.7 million in All Funds and an increase of \$283.0 million in General Revenue Funds and General Revenue–Dedicated Funds, primarily due to the following changes:
 - an increase in Other Funds associated with funding for deferred maintenance projects at state hospitals;
 - an increase in General Revenue Funds for community behavioral health services, including funding to increase community mental health inpatient capacity, expand outpatient community mental health capacity for adults and children, and reduce the substance abuse treatment waitlist for pregnant women and women with dependent children; and

- an increase in General Revenue Funds for inpatient mental health services at state hospitals, including funding to operate expanded capacity at San Antonio State Hospital and Kerrville State Hospital.
- Funding for Women’s Health Programs includes \$347.0 million in All Funds, including \$209.3 million in General Revenue Funds, for the 2020–21 biennium, representing an increase of \$67.9 million in All Funds, including \$9.4 million in General Revenue Funds, from 2018–19 biennial spending levels.
- Funding for Early Childhood Intervention services totals \$341.6 million in All Funds, including \$91.2 million in General Revenue Funds, for the 2020–21 biennium, representing an increase of \$52.2 million in All Funds, including \$31.0 million in General Revenue Funds, from 2018–19 biennial spending levels.
- Funding includes \$1.9 billion in All Funds, including \$904.2 million in General Revenue Funds, for foster care, adoption subsidies, permanency care assistance, relative caregiver assistance, and contracted day-care services at the Department of Family and Protective Services. This amount includes an increase of \$57.3 million in All Funds from 2018–19 biennial spending levels primarily to support projected caseload growth in adoption subsidies and permanency care assistance, rate increases for certain foster care providers, and the expansion of community-based care. The 2018–19 biennial amounts for child protective services programs assume supplemental funding to complete fiscal year 2019 expenditures.
- Funding includes \$1.6 billion in All Funds and \$1.2 billion in General Revenue Funds for Child Protective Services (CPS) direct delivery staff, including services provided through Community-based Care. This amount includes increased funding for additional full-time-equivalent (FTE) positions to maintain lower caseloads per worker for most caseworkers and to reduce caseloads per worker for conservatorship caseworkers. This amount also includes increased funding and a decrease in FTE positions to biennialize Community-based Care expansion that occurred during fiscal year 2019 and expand Community-based Care into two new regions, Regions 1 and 8B, and into stage II in Regions 3B, 2, and 8A.
- Funding includes \$113.0 million in All Funds and \$82.4 million in General Revenue Funds for Adult Protective Services direct delivery staff, an increase of \$18.0 million in All Funds and \$17.6 million in General Revenue Funds. This amount includes increased funding for additional FTE positions to maintain the caseload-per-worker ratio and funding for salary increases to improve retention.
- CPS funding also includes \$84.1 million in All Funds and \$53.3 million in General Revenue Funds for purchased client services, including adoption, post-adoption and post-permanency, preparation for adult living, and substance abuse. This amount is an increase of \$8.6 million in All Funds and \$8.8 million in General Revenue from the 2018–19 biennial base.
- Funding includes \$50.2 million in All Funds and \$24.2 million in General Revenue Funds for Statewide Intake, an increase of \$5.3 million in All Funds and \$5.0 million in General Revenue Funds. This amount includes funding for salary increases to improve retention.
- Funding includes \$125.9 million in All Funds, including \$41.9 million in General Revenue Funds, for laboratory services at the Department of State Health Services. This amount includes an increase of \$41.1 million in All Funds from 2018–19 biennial spending levels primarily to address the agency’s loss of certain laboratory revenue, for repairs and renovations of the South Texas and Austin laboratories, to upgrade laboratory software applications, to meet increased testing volumes related to public health, and for salary increases for certain laboratory personnel.
- Funding includes \$68.7 million in All Funds, including \$50.5 million in General Revenue Funds, for tuberculosis (TB) prevention activities, an increase of \$11.4 million from the 2018–19 biennial base. This amount includes increased funding and additional FTE positions to expand contracts with local health departments, to provide staffing and contracts for large-scale TB exposures, to provide salary increases for public health nurses, and for video direct observation technology.
- In addition to assumed supplemental funding described previously for Medicaid and child protective services programs, the supplemental appropriations bill includes funding for newborn screening for X-linked adrenoleukodystrophy,

trauma capacity grants, an emergency laboratory generator, women's health, state-owned facilities, community mental health services, early childhood intervention services, and children's hospital rate increases.

Figure 26 shows the All Funds appropriation for each agency in Article II, and **Figure 27** shows the General Revenue Funds appropriation for each agency.

FIGURE 26
ARTICLE II – HEALTH AND HUMAN SERVICES, ALL FUNDS

| (IN MILLIONS) | | | | |
|--|-------------------------------|--------------------|--------------------|----------------------|
| FUNCTION | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
| Department of Family and Protective Services | \$4,175.1 | \$4,428.0 | \$252.9 | 6.1% |
| Department of State Health Services | \$1,688.2 | \$1,674.4 | (\$13.8) | (0.8%) |
| Health and Human Services Commission | \$76,381.5 | \$76,805.3 | \$423.8 | 0.6% |
| Subtotal, Health and Human Services | \$82,244.8 | \$82,907.6 | \$662.9 | 0.8% |
| Employee Benefits and Debt Service | \$2,131.7 | \$2,234.1 | \$102.4 | 4.8% |
| Less Interagency Contracts | \$792.2 | \$773.1 | (\$19.1) | (2.4%) |
| Total, All Functions | \$83,584.2 | \$84,368.7 | \$784.5 | 0.9% |

NOTES:

(1) May include anticipated supplemental spending adjustments.

(2) Excludes Interagency Contracts.

(3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 27
ARTICLE II – HEALTH AND HUMAN SERVICES, GENERAL REVENUE FUNDS

| (IN MILLIONS) | | | | |
|--|-------------------------------|--------------------|--------------------|----------------------|
| FUNCTION | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
| Department of Family and Protective Services | \$2,389.5 | \$2,584.5 | \$195.0 | 8.2% |
| Department of State Health Services | \$475.6 | \$555.7 | \$80.1 | 16.8% |
| Health and Human Services Commission | \$30,417.1 | \$29,084.5 | (\$1,332.6) | (4.4%) |
| Subtotal, Health and Human Services | \$33,282.3 | \$32,224.7 | (\$1,057.5) | (3.2%) |
| Employee Benefits and Debt Service | \$1,434.1 | \$1,504.0 | \$69.9 | 4.9% |
| Total, All Functions | \$34,716.3 | \$33,728.7 | (\$987.6) | (2.8%) |

NOTES:

(1) May include anticipated supplemental spending adjustments.

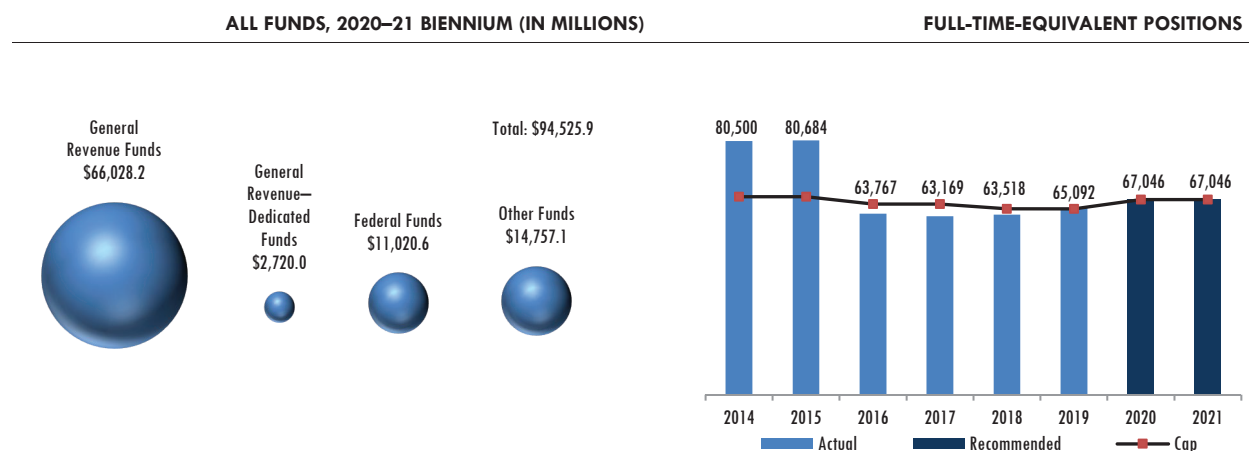
(2) Figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

ARTICLE III – EDUCATION

FIGURE 28
ARTICLE III – EDUCATION, BY METHOD OF FINANCE

| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|---|-------------------------------|--------------------|--------------------|----------------------|
| METHOD OF FINANCE | | | | |
| General Revenue Funds | \$56,458.4 | \$66,028.2 | \$9,569.9 | 17.0% |
| General Revenue–Dedicated Funds | \$2,822.5 | \$2,720.0 | (\$102.5) | (3.6%) |
| Federal Funds | \$10,802.5 | \$11,020.6 | \$218.1 | 2.0% |
| Other Funds | \$11,145.7 | \$14,757.1 | \$3,611.4 | 32.4% |
| Total, All Methods of Finance | \$81,229.0 | \$94,525.9 | \$13,296.8 | 16.4% |
| Amount of Tax Relief | | | (\$4,980.0) | |
| Growth Excluding Property Tax Relief | | | \$8,316.8 | 10.2% |



NOTES:

- (1) Contingent funding of \$11.5 billion for House Bill 3 has been moved from Article IX to Article III, Public Education, for the purposes of this comparison.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCES: Legislative Budget Board; State Auditor's Office.

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE III

Including funds contingent on the enactment of House Bill 3, public education All Funds appropriations made in the Conference Committee Report for House Bill 1, excluding the Teacher Retirement System, the Optional Retirement Program, and end-of-article benefits, total \$67.5 billion for the 2020–21 biennium. General Revenue Funds total \$45.2 billion, and Other Funds total \$11.5 billion for the 2020–21 biennium. Federal Funds total \$10.7 billion, and include a \$204.7 million increase, primarily attributable to Child Nutrition.

In addition, the supplemental appropriations bill includes funding from the Economic Stabilization Fund for the following items: \$100.0 million for school safety infrastructure enhancements, \$10.9 million for certain school districts that experienced mass shootings, and \$636.0 million in 2020–21 biennial costs attributable to Hurricane Harvey.

The majority of Public Education funding consists of state aid for school districts and charter schools through the Foundation School Program (FSP) system. Major changes to the FSP include:

- a total of \$11.5 billion in General Revenue Funds above current law funding for public schools is provided to increase public education funding, including salary increases for classroom teachers and other educators, provide school

district property tax relief, and reduce recapture. The funding is contingent upon the enactment of House Bill 3. Components include:

- \$6.5 billion for increased school funding, including: an increase to the Basic Allotment to \$6,160, funding to provide salary increases to teachers, librarians, counselors, nurses and other school employees; full-day prekindergarten for eligible students; and major structural reforms to the school finance system. Districts and charters are required to spend at least 30.0 percent of their funding gain from the increased Basic Allotment on salary increases;
- \$5.0 billion for property tax relief through the compression of school district tax rates. Tier 1 tax rates are compressed to at least 93.0 percent, with additional compression beginning in fiscal year 2021 in districts where property value growth exceeds 2.5 percent; and
- as a result of the school finance reform in House Bill 3, recapture payments are projected to decrease by \$3.5 billion during the 2020–21 biennium from what they otherwise would have been under current law; and

The supplemental appropriations bill includes a total of \$806.5 million from the Economic Stabilization Fund (ESF) for FSP costs attributable to Hurricane Harvey.

Non-FSP program and administration funding for the 2020–21 biennium includes \$1,906.5 million in General Revenue Funds, a \$117.6 million decrease compared to the 2018–19 biennium. The net decrease is due primarily to a \$166.7 million decrease in funding for instructional materials and technology and an \$8.7 million decrease related to the expiration of onetime funding and other adjustments, partially offset by General Revenue Funds increases of \$57.8 million to various programs. An additional \$149.3 million in General Revenue Funds is provided contingent on enactment of legislation, including \$39.0 million for non-FSP programs and administration for implementing House Bill 3; \$99.8 million for implementing House Bill 3906, relating to assessments, and \$10.5 million for other legislation.

Including funding in the supplemental appropriations bill, funding for teacher retirement benefits includes \$5.2 billion in All Funds for the state contribution to retirement benefits of the Teacher Retirement System (TRS). These amounts include \$589.0 million from the ESF for an additional onetime payment to certain TRS annuitants. Retiree health insurance funding totals \$1.1 billion in All Funds, and includes \$879.4 million in General Revenue Funds to provide a statutorily required state contribution to TRS-Care of 1.25 percent of public education payroll. Funding also includes \$230.8 million greater than statutorily required amounts in General Revenue Funds to maintain plan year 2019 TRS-Care premiums and benefits for the 2020–21 biennium.

Included in these amounts is \$524.0 million from the ESF in the supplemental appropriations bill above current law requirements to increase the state contribution to achieve actuarial soundness.

Funding for higher education, excluding end-of-article benefits, totals \$20.6 billion in All Funds for the 2020–21 biennium, an increase of \$1.1 billion, or 5.8 percent from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$17.3 billion, an increase of \$869.8 million, or 5.3 percent, from the 2018–19 biennium. The majority of higher education funding provided from General Revenue Funds and General Revenue–Dedicated Funds consists of formula funding into the general academic institutions, Lamar State Colleges, Texas State Technical Colleges, health related institutions, and public community and junior colleges, including the following areas:

- higher education formulas are supported by \$8.1 billion in General Revenue Funds and \$1.4 billion in statutory tuition in General Revenue–Dedicated Funds. Included in this amount are increases of \$915.5 million in General Revenue Funds and a decrease of \$10.8 million in General Revenue–Dedicated Funds. The General Revenue Funds increase includes \$485.9 million in new funding, plus \$429.6 million reallocated from non-formula support item and hold harmless funding to support the new mission-specific formulas for The University of Texas (UT) Southwestern Medical Center, UT Health Science Center at Houston, UT Health Science Center at San Antonio, and the UT Medical Branch at Galveston. The 2020–21 biennial rates for all of the higher education formulas are increased from the 2018–19 biennial rates. The core operations portion of the public community and junior colleges formula is maintained at 2018–19 funding levels;

- funding for non-formula support items at all institutions for the 2020–21 biennium totals \$1.1 billion in General Revenue Funds, which represents an increase of \$296.2 million from the 2018–19 biennium. This increase includes \$251.5 million in new funding, plus the reallocation of \$151.6 million in hold harmless funding to non-formula support items, offset by the reallocation of \$106.9 million of non-formula support item funding to the new mission-specific formulas;
- funding for the 2020–21 biennium for tuition revenue bond debt service totals \$980.9 million in General Revenue Funds, which is a decrease of \$31.1 million from the 2018–19 biennium;
- funding for the TEXAS Grant Program totals \$866.4 million, an increase of \$80.0 million in General Revenue Funds from 2018–19 biennial levels and would support 70.0 percent of eligible students;
- funding for the Texas Higher Education Coordinating Board (THECB) includes \$99.0 million in General Revenue Funds to support the Texas Child Mental Health Care Consortium; and
- funding for THECB provides a total of \$157.2 million in All Funds for Graduate Medical Education Expansion. This amount includes \$135.2 million in General Revenue Funds, an increase of \$60.0 million from 2018–19 biennial funding levels, and \$22.0 million in distributions from the Permanent Fund Supporting Graduate Medical Education (Other Funds), an increase of \$0.2 million to meet the 1.1-to-1.0 ratio of first-year residency positions for each Texas medical school graduate.

In addition, the supplemental appropriations bill includes \$161.9 million from the ESF to various agencies and institutions of higher education. This amount includes:

- \$58.8 million to institutions of higher education for expenses related to Hurricane Harvey;
- \$57.4 million to Texas A&M Forest Service for wildfire and Hurricane Harvey-related costs;
- \$29.6 million to the Texas State Technical College – Waco for abatement and demolition of certain facilities; and
- \$16.0 million to Texas Southern University for deferred maintenance.

Figure 29 shows the All Funds appropriation for each agency in Article III, and **Figure 30** shows the General Revenue Funds appropriation for each agency.

FIGURE 29
ARTICLE III – EDUCATION BY AGENCY OR GROUP, ALL FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|--|-------------------------------|--------------------|--------------------|----------------------|
| FUNCTION | | | | |
| Public Education | | | | |
| Texas Education Agency | \$55,352.9 | \$67,387.9 | \$12,035.0 | 21.7% |
| School for the Blind and Visually Impaired | \$47.2 | \$48.3 | \$1.1 | 2.3% |
| School for the Deaf | \$58.9 | \$65.2 | \$6.4 | 10.8% |
| Subtotal, Public Education | \$55,459.0 | \$67,501.4 | \$12,042.5 | 21.7% |
| Public Higher Education | | | | |
| General Academic Institutions | \$7,239.1 | \$7,536.4 | \$297.3 | 4.1% |
| Health Related Institutions | \$3,255.9 | \$3,342.3 | \$86.4 | 2.7% |
| Texas A&M System Agencies | \$1,025.1 | \$1,036.3 | \$11.2 | 1.1% |
| Texas Higher Education Coordinating Board | \$1,583.6 | \$1,779.9 | \$196.4 | 12.4% |
| Higher Education Funds | \$2,906.0 | \$3,270.3 | \$364.3 | 12.5% |
| Article III, Special Provisions | \$0.0 | \$0.0 | \$0.0 | N/A |
| Two-Year Institutions | | | | |
| Public Community/Junior Colleges | \$1,794.5 | \$1,868.4 | \$73.9 | 4.1% |
| Lamar Lower-level Institutions | \$70.1 | \$89.1 | \$19.0 | 27.0% |
| Texas State Technical Colleges | \$166.1 | \$199.4 | \$33.3 | 20.0% |
| Subtotal, Two-Year Institutions | \$2,030.8 | \$2,156.9 | \$126.1 | 6.2% |
| Subtotal, Public Higher Education | \$18,040.4 | \$19,122.0 | \$1,081.7 | 6.0% |
| Teacher Retirement System | \$5,403.4 | \$5,498.2 | \$94.9 | 1.8% |
| Optional Retirement Program | \$297.6 | \$296.8 | (\$0.8) | (0.3%) |
| Higher Education Employees Group Insurance Contributions | \$1,412.2 | \$1,415.5 | \$3.3 | 0.2% |
| Retirement and Group Insurance | \$92.0 | \$96.8 | \$4.9 | 5.3% |
| Social Security and Benefit Replacement Pay | \$631.9 | \$696.2 | \$64.3 | 10.2% |
| Subtotal, Employee Benefits | \$7,837.1 | \$8,003.5 | \$166.4 | 2.1% |
| Bond Debt Service Payments | \$20.8 | \$15.2 | (\$5.6) | (27.0%) |
| Lease Payments | \$0.4 | \$0.0 | (\$0.4) | (100.0%) |
| Subtotal, Debt Service | \$21.2 | \$15.2 | (\$6.0) | (28.4%) |
| Less Interagency Contracts | \$128.6 | \$116.3 | (\$12.3) | (9.5%) |
| Total, All Functions | \$81,229.0 | \$94,525.9 | \$13,296.8 | 16.4% |
| Amount of Tax Relief | | | (\$4,980.0) | |
| Growth Excluding Property Tax Relief | | | \$8,316.8 | 10.2% |

NOTES:

- (1) Contingent funding of \$11.5 billion for House Bill 3 has been moved from Article IX to Article III, Public Education, for the purposes of this comparison.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 30
ARTICLE III – EDUCATION BY AGENCY OR GROUP, GENERAL REVENUE FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|--|-------------------------------|--------------------|--------------------|----------------------|
| FUNCTION | | | | |
| Public Education | | | | |
| Texas Education Agency | \$36,643.2 | \$45,165.1 | \$8,521.9 | 23.3% |
| School for the Blind and Visually Impaired | \$31.5 | \$33.0 | \$1.5 | 4.8% |
| School for the Deaf | \$37.6 | \$43.7 | \$6.1 | 16.2% |
| Subtotal, Public Education | \$36,712.3 | \$45,241.8 | \$8,529.5 | 23.2% |
| Public Higher Education | | | | |
| General Academic Institutions | \$5,007.7 | \$5,351.1 | \$343.4 | 6.9% |
| Health Related Institutions | \$2,855.0 | \$3,021.4 | \$166.4 | 5.8% |
| Texas A&M System Agencies | \$355.1 | \$370.5 | \$15.5 | 4.4% |
| Texas Higher Education Coordinating Board | \$1,396.9 | \$1,634.3 | \$237.4 | 17.0% |
| Higher Education Funds | \$817.5 | \$817.5 | \$0.0 | 0.0% |
| Two-Year Institutions | | | | |
| Public Community/Junior Colleges | \$1,794.5 | \$1,868.4 | \$73.9 | 4.1% |
| Lamar Lower-level Institutions | \$54.3 | \$75.3 | \$21.1 | 38.8% |
| Texas State Technical Colleges | \$139.1 | \$185.9 | \$46.8 | 33.6% |
| Subtotal, Two-Year Institutions | \$1,987.9 | \$2,129.6 | \$141.7 | 7.1% |
| Subtotal, Higher Education | \$12,420.1 | \$13,324.5 | \$904.4 | 7.3% |
| Teacher Retirement System | \$5,078.0 | \$5,167.9 | \$89.9 | 1.8% |
| Optional Retirement Program | \$246.5 | \$243.2 | (\$3.3) | (1.3%) |
| Higher Education Employees Group Insurance Contributions | \$1,412.2 | \$1,415.5 | \$3.3 | 0.2% |
| Retirement and Group Insurance | \$74.0 | \$76.2 | \$2.2 | 3.0% |
| Social Security and Benefit Replacement Pay | \$494.4 | \$543.9 | \$49.5 | 10.0% |
| Subtotal, Employee Benefits | \$7,305.1 | \$7,446.8 | \$141.7 | 1.9% |
| Bond Debt Service Payments | \$20.5 | \$15.2 | (\$5.3) | (25.9%) |
| Lease Payments | \$0.4 | \$0.0 | (\$0.4) | (100.0%) |
| Subtotal, Debt Service | \$20.9 | \$15.2 | (\$5.7) | (27.3%) |
| Total, All Functions | \$56,458.4 | \$66,028.2 | \$9,569.9 | 17.0% |
| Amount of Tax Relief | | | (\$4,980.0) | |
| Growth Excluding Property Tax Relief | | | \$4,589.9 | 8.1% |

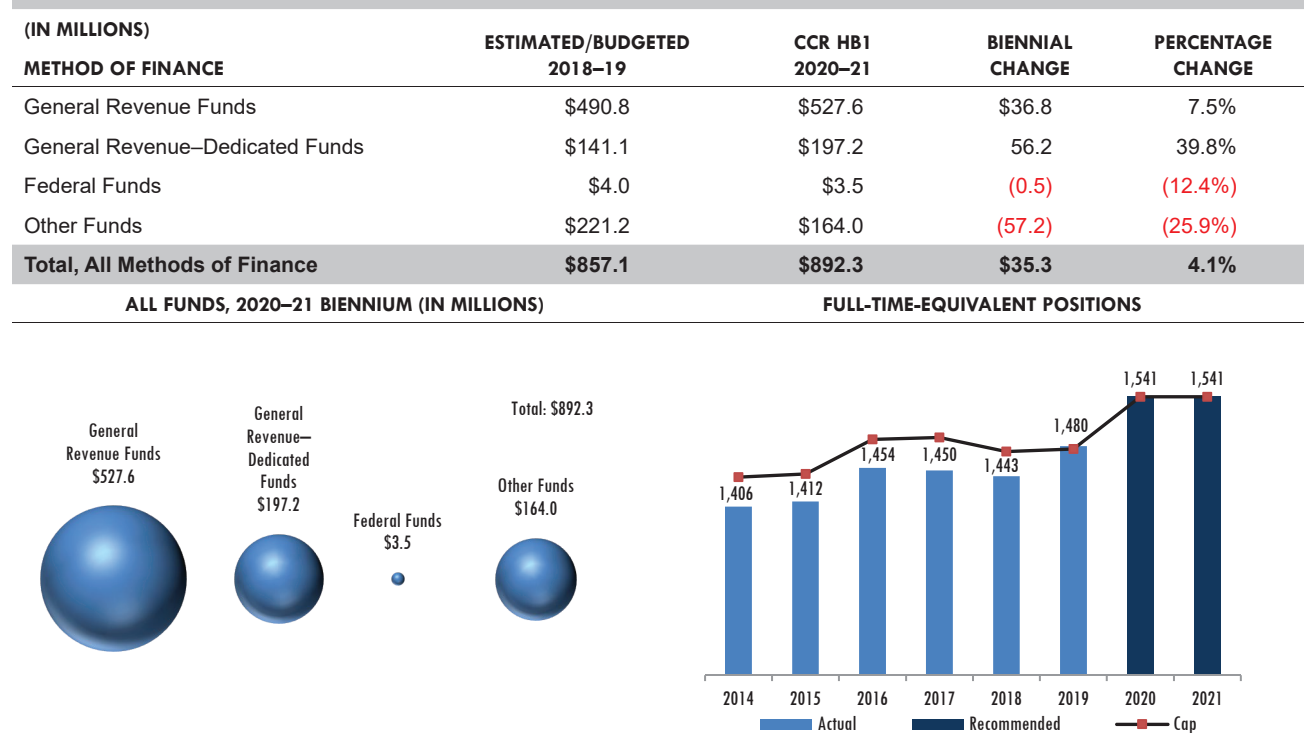
NOTES:

- (1) Contingent funding of \$11.5 billion for House Bill 3 has been moved from Article IX to Article III, Public Education, for the purposes of this comparison.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

ARTICLE IV – JUDICIARY

FIGURE 31
ARTICLE IV – JUDICIARY, BY METHOD OF FINANCE



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCES: Legislative Budget Board; State Auditor's Office.

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE IV

All Funds for the Judiciary agencies total \$892.3 million for the 2020–21 biennium, which is an increase of \$35.3 million, or 4.1 percent, from the 2018–19 biennium. General Revenue Funds total \$527.6 million, which is an increase of \$36.8 million, or 7.5 percent from the 2018–19 biennium. General Revenue–Dedicated Funds total \$197.2 million, which is an increase of \$56.2 million, or 39.8 percent from the 2018–19 biennium.

Funding for the Judiciary supports administration of the Texas court system. This function includes the operations of 16 appellate courts and 76 children's courts, district judge salaries and county-level judge salary supplements, the judicial retirement system, prosecutor salaries and payments, judicial branch service agencies, indigent defense, basic civil legal services, juror pay, and judicial education.

HIGHLIGHTS

- Funding provides an estimated \$60.5 million in General Revenue–Dedicated Funds from Account No. 5157, Statewide Electronic Filing System, an increase of \$15.8 million, to fulfill Statewide Electronic Filing System vendor contract payments; support the operation and maintenance of the statewide electronic filing system; establish a Uniform Case Management System; and, contingent on the enactment of legislation, establish and maintain a central, computerized, and Internet-based registry for protective orders.

- Funding provides \$222.0 million in All Funds, an increase of \$1.3 million, for judicial salaries. The increase is due primarily to biennializing funding for new statutory county courts and new district courts. In addition, funding is provided for a judicial pay raise in a contingency rider for House Bill 2384, Eighty-sixth Legislature, 2019, in Article IX.
- Funding provides \$94.4 million in All Funds, an increase of \$28.0 million from 2018–19 biennial levels, for the Texas Indigent Defense Commission to assist counties in establishing, developing, and maintaining cost-effective indigent defense services. This amount includes \$5.0 million in General Revenue–Dedicated Funds from Account No. 5073, Fair Defense, for grants to public defender offices to develop a pilot project for the early identification and specialized representation of indigent defendants with mental illness.
- Funding provides an estimated \$74.1 million in All Funds, a net decrease of \$34.6 million from 2018–19 biennial levels, for the Supreme Court of Texas to provide basic civil legal services to eligible recipients. This amount includes an increase of \$20.6 million in General Revenue Funds, including \$14.6 million to provide funding for the program at greater than 2016–17 biennial spending levels and \$6.0 million to provide basic civil legal services to veterans and their families; a General Revenue–Dedicated Funds increase of \$0.4 million to provide basic civil legal services to sexual assault victims at 2016–17 biennial levels; and a \$55.6 million decrease in Other Funds from the Judicial Fund due to onetime civil penalties awarded to the state during the 2018–19 biennium that no longer are available.
- Funding provides an estimated \$27.4 million in General Revenue–Dedicated Funds, an increase of \$3.5 million from 2018–19 biennial levels, to the Court of Criminal Appeals for its Judicial Education grant program for the purpose of continuing legal education and technical assistance for judges, court staff, prosecuting attorneys and their staff, and criminal defense attorneys that regularly represent indigent defendants in criminal matters, and provides innocence training.
- Funding provides \$12.6 million in All Funds for 33 Child Protection Courts within the Office of Court Administration, an increase of \$3.4 million in General Revenue Funds to provide nine additional courts in areas with large caseloads to promote faster case resolution.

Figure 32 shows the All Funds appropriation for each agency in Article IV, and **Figure 33** shows the General Revenue Funds appropriation for each agency.

FIGURE 32
ARTICLE IV – JUDICIARY, ALL FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED | CCR HB1 | BIENNIAL | PERCENTAGE |
|---|--------------------|----------------|---------------|-------------|
| FUNCTION | 2018–19 | 2020–21 | CHANGE | CHANGE |
| Supreme Court of Texas | \$127.4 | \$92.8 | (\$34.6) | (27.2%) |
| Court of Criminal Appeals | \$37.4 | \$40.7 | \$3.3 | 8.8% |
| First Court of Appeals District, Houston | \$9.4 | \$9.4 | \$0.0 | 0.0% |
| Second Court of Appeals District, Fort Worth | \$7.3 | \$7.3 | \$0.0 | 0.0% |
| Third Court of Appeals District, Austin | \$6.1 | \$6.1 | \$0.0 | 0.0% |
| Fourth Court of Appeals District, San Antonio | \$7.3 | \$7.3 | (\$0.0) | (0.1%) |
| Fifth Court of Appeals District, Dallas | \$13.0 | \$13.0 | \$0.0 | 0.0% |
| Sixth Court of Appeals District, Texarkana | \$3.3 | \$3.3 | (\$0.0) | (0.0%) |
| Seventh Court of Appeals District, Amarillo | \$4.1 | \$4.1 | (\$0.0) | (0.0%) |
| Eighth Court of Appeals District, El Paso | \$3.4 | \$3.4 | \$0.0 | 0.0% |
| Ninth Court of Appeals District, Beaumont | \$4.1 | \$4.1 | \$0.0 | 0.0% |
| Tenth Court of Appeals District, Waco | \$3.4 | \$3.3 | (\$0.1) | (3.1%) |
| Eleventh Court of Appeals District, Eastland | \$3.3 | \$3.3 | \$0.0 | 0.6% |
| Twelfth Court of Appeals District, Tyler | \$3.3 | \$3.3 | \$0.0 | 0.0% |
| Thirteenth Court of Appeals District, Corpus Christi-Edinburg | \$6.1 | \$6.1 | \$0.0 | 0.0% |
| Fourteenth Court of Appeals District, Houston | \$9.7 | \$9.7 | \$0.0 | 0.0% |
| Office of Court Administration, Texas Judicial Council | \$155.3 | \$218.7 | \$63.4 | 40.8% |
| Office of Capital Writs | \$2.7 | \$3.7 | \$1.0 | 38.7% |
| Office of the State Prosecuting Attorney | \$0.9 | \$0.9 | \$0.1 | 6.0% |
| State Law Library | \$2.1 | \$2.2 | \$0.2 | 9.3% |
| State Commission on Judicial Conduct | \$2.3 | \$2.5 | \$0.2 | 10.6% |
| Judiciary Section, Comptroller's Department | \$315.3 | \$316.3 | \$1.0 | 0.3% |
| Subtotal, Judiciary | \$727.2 | \$761.7 | \$34.5 | 4.7% |
| Employee Benefits and Debt Service | \$151.8 | \$151.9 | \$0.1 | 0.1% |
| Less Interagency Contracts | \$21.9 | \$21.2 | (\$0.7) | (3.0%) |
| Total, All Functions | \$857.1 | \$892.3 | \$35.3 | 4.1% |

NOTES:

(1) Excludes Interagency Contracts.

(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 33
ARTICLE IV – JUDICIARY, GENERAL REVENUE FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED | CCR HB1 | BIENNIAL | PERCENTAGE |
|---|--------------------|----------------|---------------|--------------|
| FUNCTION | 2018–19 | 2020–21 | CHANGE | CHANGE |
| Supreme Court of Texas | \$17.7 | \$38.7 | \$21.0 | 118.4% |
| Court of Criminal Appeals | \$12.8 | \$13.0 | \$0.2 | 1.2% |
| First Court of Appeals District, Houston | \$8.8 | \$8.8 | \$0.0 | 0.0% |
| Second Court of Appeals District, Fort Worth | \$6.7 | \$6.7 | \$0.0 | 0.0% |
| Third Court of Appeals District, Austin | \$5.7 | \$5.7 | \$0.0 | 0.0% |
| Fourth Court of Appeals District, San Antonio | \$6.7 | \$6.7 | \$0.0 | 0.0% |
| Fifth Court of Appeals District, Dallas | \$12.0 | \$12.0 | \$0.0 | 0.0% |
| Sixth Court of Appeals District, Texarkana | \$3.1 | \$3.1 | \$0.0 | 0.0% |
| Seventh Court of Appeals District, Amarillo | \$3.9 | \$3.9 | \$0.0 | 0.0% |
| Eighth Court of Appeals District, El Paso | \$3.1 | \$3.1 | \$0.0 | 0.0% |
| Ninth Court of Appeals District, Beaumont | \$3.9 | \$3.9 | \$0.0 | 0.0% |
| Tenth Court of Appeals District, Waco | \$3.2 | \$3.1 | (\$0.1) | (3.1%) |
| Eleventh Court of Appeals District, Eastland | \$3.1 | \$3.1 | \$0.0 | 0.0% |
| Twelfth Court of Appeals District, Tyler | \$3.1 | \$3.1 | \$0.0 | 0.0% |
| Thirteenth Court of Appeals District, Corpus Christi-Edinburg | \$5.6 | \$5.6 | \$0.0 | 0.0% |
| Fourteenth Court of Appeals District, Houston | \$8.8 | \$8.8 | \$0.0 | 0.0% |
| Office of Court Administration, Texas Judicial Council | \$38.0 | \$51.6 | \$13.5 | 35.6% |
| Office of Capital Writs | \$0.0 | \$0.0 | \$0.0 | N/A |
| Office of the State Prosecuting Attorney | \$0.8 | \$0.9 | \$0.0 | 6.0% |
| State Law Library | \$2.0 | \$2.2 | \$0.2 | 12.1% |
| State Commission on Judicial Conduct | \$2.3 | \$2.5 | \$0.2 | 10.6% |
| Judiciary Section, Comptroller's Department | \$200.9 | \$202.7 | \$1.7 | 0.9% |
| Subtotal, Judiciary | \$352.4 | \$389.2 | \$36.8 | 10.4% |
| Employee Benefits and Debt Service | \$138.4 | \$138.4 | \$0.0 | 0.0% |
| Total, All Functions | \$490.8 | \$527.6 | \$36.8 | 7.5% |

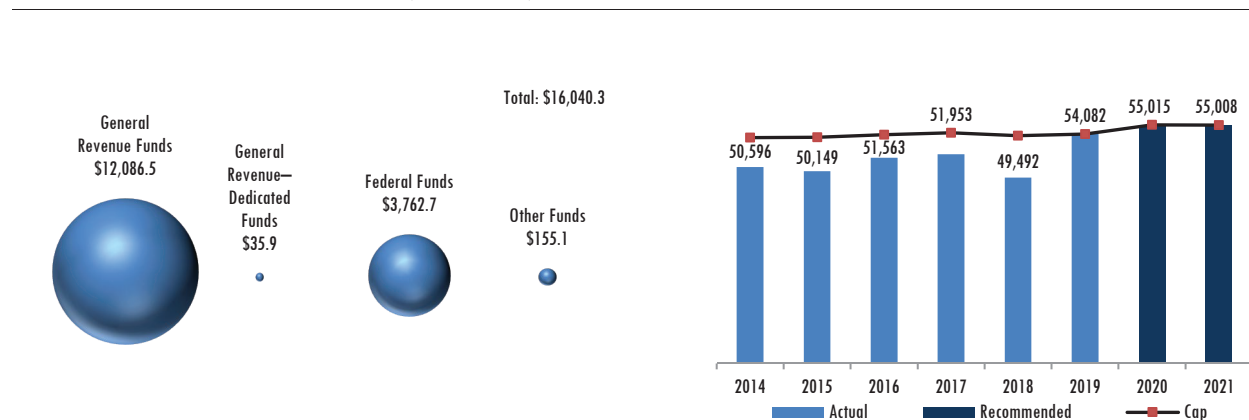
NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE

FIGURE 34
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE, BY METHOD OF FINANCE

| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|--------------------------------------|-------------------------------|--------------------|--------------------|----------------------|
| METHOD OF FINANCE | | | | |
| General Revenue Funds | \$11,322.1 | \$12,086.5 | \$764.4 | 6.8% |
| General Revenue–Dedicated Funds | \$42.0 | \$35.9 | (\$6.1) | (14.5%) |
| Federal Funds | \$6,748.5 | \$3,762.7 | (\$2,985.8) | (44.2%) |
| Other Funds | \$265.9 | \$155.1 | (\$110.7) | (41.7%) |
| Total, All Methods of Finance | \$18,378.5 | \$16,040.3 | (\$2,338.3) | (12.7%) |



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCES: Legislative Budget Board; State Auditor's Office.

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE V

All Funds for Public Safety and Criminal Justice agencies for the 2020–21 biennium total \$16.0 billion, which is a decrease of \$2.3 billion or 12.7 percent from the 2018–19 biennial expenditure levels. All Funds decreases are primarily the result of elimination of Federal Funds provided for Hurricane Harvey emergency assistance and funding from the Economic Stabilization Fund used for onetime projects, offset by increased funding for Driver License Services at the Department of Public Safety and salary increases for correctional and parole officers at the Department of Criminal Justice.

General Revenue Funds and General Revenue–Dedicated Funds for the 2020–21 biennium total \$12.1 billion, which is a \$758.3 million increase, or 6.7 percent from the 2018–19 biennium. General Revenue Funds increases are primarily the result of increases for Driver License Services, Crime Labs, and Human Trafficking Enforcement at the Department of Public Safety, Correctional Managed Health Care and correctional officer and parole officer salary increases at the Department of Criminal Justice, juvenile correctional officer salary increases and additional regional diversion services at the Juvenile Justice Department, and deferred maintenance and administrative services and support at the Military Department.

HIGHLIGHTS

- Funding for the Department of Public Safety (DPS) totals \$5.8 billion in All Funds, which represents an All Funds decrease of \$2.9 billion, or 32.9 percent. Funding includes \$2.2 billion in General Revenue Funds and General Revenue–

Dedicated Funds, an increase of \$304.2 million, or 16.4 percent, compared to 2018–19 biennial funding levels and includes the following items:

- funding for border security at DPS totals \$693.3 million in All Funds, \$442.7 million of which is in the agency's bill pattern in Goal B, Secure Texas. An additional \$250.6 million for border security operations and activities is provided in other agency goals. This amount is a \$1.1 million decrease from 2018–19 biennial expenditure levels. This funding maintains support for DPS personnel at fiscal year 2019 full deployment levels, while eliminating funding for onetime and transitional expenditures, and provides new funding for Human Trafficking and Anti-gang activities, full-time-equivalent (FTE) positions for the Transnational Intelligence Center, and a Tactical Training Facility in Cameron County;
- funding for the DPS Driver License Program is \$490.6 million in All Funds, an increase of \$212.4 million in All Funds from the 2018–19 biennium. Funding is increased by \$51.3 million to reclassify customer service representatives to license permit specialists and \$141.5 million to add 762.0 FTE positions to fill all available work stations in current driver license offices. Funding is increased for new driver license offices; and
- funding for DPS in the supplemental appropriations bill for the 2020–21 biennium totals \$109.0 million in All Funds. The supplemental appropriations bill provides \$103.2 million from the Economic Stabilization Fund and includes \$97.0 million for expenses related to Hurricane Harvey and other natural disasters and \$6.2 million for one replacement helicopter. General Revenue Funds in the supplemental appropriations bill total \$5.8 million for crime laboratory operations.
- Funding for the Texas Department of Criminal Justice (TDCJ) for the 2020–21 biennium totals \$6.9 billion in All Funds, an increase of \$264.6 million or 4.0 percent. The increase is primarily the result of funding for Correctional Managed Health Care (CMHC) (\$168.9 million), correctional officer and parole officer salary increases and career ladder restructure (\$84.1 million), and expansion of sheltered housing beds at the Stiles Unit (\$8.4 million). Funding in the supplemental appropriations bill for TDCJ for the 2020–21 biennium totals \$362.8 million in All Funds. General Revenue Funding includes \$190.0 million to fund CMHC fiscal year 2019 expenditures and \$30.0 million for correctional officer overtime. Funding in the supplemental appropriations bill includes \$142.8 million from the Economic Stabilization Fund and includes \$54.0 million for the repair and rehabilitation of buildings and facilities; \$38.6 million for transfers from TDCJ to address Hurricane Harvey recovery; \$26.0 million for comprehensive video surveillance systems; and \$24.2 million to replace the Corrections Information Technology System.
- Funding for the Texas Juvenile Justice Department (TJJD) for the 2020–21 biennium totals \$656.0 million in All Funds, a decrease of \$5.1 million, or 0.8 percent. The decrease is attributable primarily to decreases in funding for populations at January 2019 projections (\$2.6 million) and deferred maintenance funding (\$7.1 million), offset by increases in funding for juvenile correctional officer and other direct care staff salary increases (\$8.1 million) and funding for body worn cameras in state-operated facilities (\$3.2 million). Funding in the supplemental appropriations bill for TJJD for the 2020–21 biennium includes \$7.5 million from the Economic Stabilization Fund for the replacement of video surveillance systems.
- Funding for the Texas Military Department for the 2020–21 biennium totals \$205.6 million in All Funds, which represents a decrease of \$17.4 million, or 7.8 percent. The decrease is attributable primarily to aligning Hurricane Harvey disaster assistance funding (\$35.1 million), offset by increases for 30.0 additional indirect administration support staff and 3.0 watch officers at the Joint Operations Center (\$5.8 million) and an increase in Federal Funds associated with facilities maintenance and operations (\$15.6 million).
- Funding for the Texas Alcoholic Beverage Commission (TABC) for the 2020–21 biennium totals \$112.9 million in All Funds, an increase of \$13.4 million or 13.5 percent. The increase is attributable primarily to information technology replacement projects (\$9.8 million), additional officers for human trafficking enforcement (\$5.6 million), salary increases for certain TABC employees (\$0.3 million), and Centralized Accounting and Payroll Personnel System support (\$0.2 million), offset by decreases for Hurricane Harvey disaster assistance funding (\$1.6) and decreases in Federal Funds and Appropriated Receipts (\$0.4 million).

Figure 35 shows the All Funds appropriation for each agency in Article V, and **Figure 36** shows the General Revenue Funds appropriation for each agency.

FIGURE 35
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE BY AGENCY, ALL FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED | CCR HB1 | BIENNIAL | PERCENTAGE |
|---|--------------------|-------------------|--------------------|----------------|
| FUNCTION | 2018–19 | 2020–21 | CHANGE | CHANGE |
| Alcoholic Beverage Commission | \$99.5 | \$112.9 | \$13.4 | 13.5% |
| Department of Criminal Justice | \$6,606.3 | \$6,870.9 | \$264.6 | 4.0% |
| Commission on Fire Protection | \$3.9 | \$4.0 | \$0.0 | 0.2% |
| Commission on Jail Standards | \$3.7 | \$2.9 | (\$0.8) | (21.9%) |
| Juvenile Justice Department | \$661.1 | \$656.0 | (\$5.1) | (0.8%) |
| Commission on Law Enforcement | \$7.9 | \$8.2 | \$0.3 | 3.2% |
| Texas Military Department | \$222.9 | \$205.6 | (\$17.4) | (7.8%) |
| Department of Public Safety | \$8,684.9 | 5,828.5 | (\$2,856.4) | (32.9%) |
| Subtotal, Public Safety and Criminal Justice | \$16,290.3 | \$13,688.9 | (\$2,601.4) | (16.0%) |
| Employee Benefits and Debt Service | \$2,405.7 | \$2,507.2 | \$101.4 | 4.2% |
| Less Interagency Contracts | \$317.5 | \$155.8 | (\$161.7) | (50.9%) |
| Total, All Functions | \$18,378.5 | \$16,040.3 | (\$2,338.3) | (12.7%) |

NOTES:

(1) Excludes interagency contracts.

(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 36
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE BY AGENCY, GENERAL REVENUE FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED | CCR HB1 | BIENNIAL | PERCENTAGE |
|---|--------------------|-------------------|----------------|-------------|
| FUNCTION | 2018–19 | 2020–21 | CHANGE | CHANGE |
| Alcoholic Beverage Commission | \$96.2 | \$111.7 | \$15.5 | 16.1% |
| Department of Criminal Justice | \$6,386.4 | \$6,701.3 | \$314.9 | 4.9% |
| Commission on Fire Protection | \$3.8 | \$3.8 | \$0.0 | 0.0% |
| Commission on Jail Standards | \$2.7 | \$2.9 | \$0.2 | 7.2% |
| Juvenile Justice Department | \$605.2 | \$613.4 | \$8.3 | 1.4% |
| Commission on Law Enforcement | \$0.0 | \$0.3 | \$0.3 | N/A |
| Texas Military Department | \$30.4 | \$51.0 | \$20.6 | 67.6% |
| Department of Public Safety | \$1,843.3 | \$2,147.0 | \$303.7 | 16.5% |
| Subtotal, Public Safety and Criminal Justice | \$8,968.0 | \$9,631.4 | \$663.3 | 7.4% |
| Employee Benefits and Debt Service | \$2,354.1 | \$2,455.2 | \$101.0 | 4.3% |
| Total, All Functions | \$11,322.1 | \$12,086.5 | \$764.4 | 6.8% |

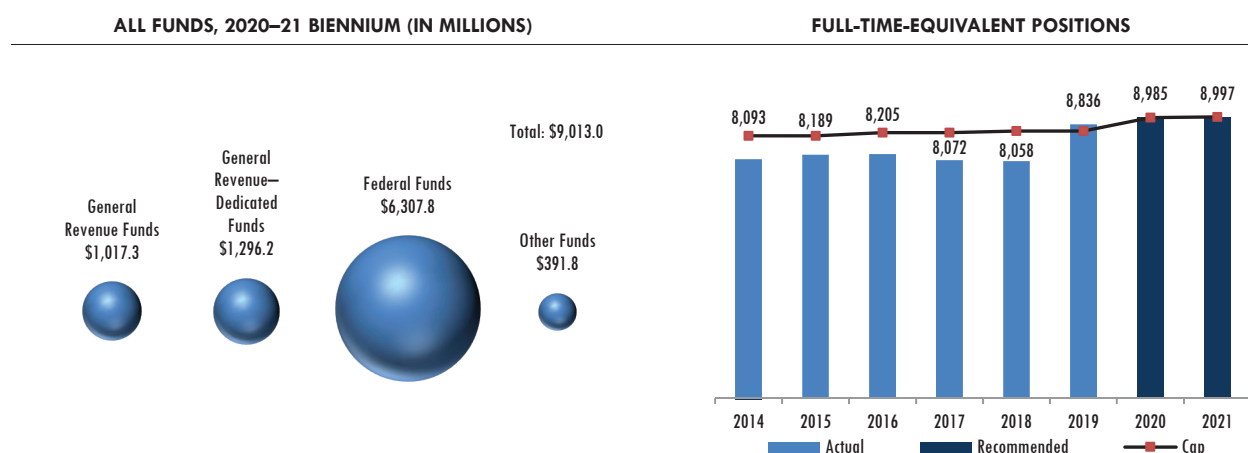
NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

ARTICLE VI – NATURAL RESOURCES

FIGURE 37
ARTICLE VI NATURAL RESOURCES, BY METHOD OF FINANCE

| (IN MILLIONS) | | | | |
|--------------------------------------|-------------------------------|--------------------|--------------------|----------------------|
| METHOD OF FINANCE | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
| General Revenue Funds | \$910.6 | \$1,017.3 | \$106.8 | 11.7% |
| General Revenue–Dedicated Funds | \$1,366.6 | \$1,296.2 | (\$70.5) | (5.2%) |
| Federal Funds | \$3,823.6 | \$6,307.8 | \$2,484.2 | 65.0% |
| Other Funds | \$465.2 | \$391.8 | (\$73.4) | (15.8%) |
| Total, All Methods of Finance | \$6,566.0 | \$9,013.0 | \$2,447.1 | 37.3% |



NOTES:

(1) Excludes Interagency Contracts.

(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCES: Legislative Budget Board; State Auditor's Office.

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE VI

All Funds for the Natural Resources agencies total \$9.0 billion for the 2020–21 biennium, which is an increase of \$2.4 billion, or 37.3 percent, from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$2.3 billion, which is an increase of \$36.3 million, or 1.6 percent from the 2018–19 biennium. Federal Funds total \$6.3 billion, which is an increase of \$2.5 billion, or 65.0 percent from the 2018–19 biennium.

HIGHLIGHTS

- Funding for the General Land Office and Veteran's Land Board provides the following amounts:
 - an increase of \$2.5 billion in Federal Funds for disaster recovery related to Hurricane Harvey including an additional \$1.9 billion for short-term and community housing projects and \$595.1 million for infrastructure projects offset by a \$9.0 million decrease from onetime coastal cleanup expenses. In addition, the supplemental appropriations bill provides \$4.2 million from the Economic Stabilization Fund (ESF) to be used in the event that Federal Emergency Management Agency Federal Funds are no longer available for the short-term housing recovery program;
 - an increase of \$96.9 million in All Funds for coastal projects, including \$61.3 million in additional Appropriated Receipts for coastal erosion projects from the National Fish and Wildlife Foundation, the Restore Act, and the Natural Resource Damage Assessment Trustee program, and \$40.1 million in additional Federal Funds from the

Gulf of Mexico Energy Security Act for large-scale coastal construction projects. In addition, the supplemental appropriations bill provides \$23.6 million from the ESF and \$2.0 million in General Revenue–Dedicated Funds for coastal projects and repairs necessary after Hurricane Harvey; and

- a decrease of \$69.6 million in All Funds for preserving, maintaining, and operating the Alamo facilities within the Alamo Complex, including \$72.0 million from the ESF offset by an increase of \$0.7 million in Appropriated Receipts and \$1.7 million in General Revenue–Dedicated Funds. Alamo funding is continued with \$18.2 million in All Funds for the 2020–21 biennium. Funding of \$68.9 million from the ESF was encumbered during the 2018–19 biennium and is expected to be spent on construction projects through 2023.
- Funding for the Parks and Wildlife Department provides the following amounts:
 - \$130.7 million in All Funds for deferred maintenance and capital construction projects along with all unexpended balances remaining from \$101.5 million appropriated for the 2018–19 biennium for the same purpose. In addition, the supplemental appropriations bill provides \$8.0 million for Hurricane Harvey-related expenses, \$5.0 million for renovation and repair of the Wyler Aerial Tramway at Franklin Mountains State Park, and \$5.0 million from the ESF to purchase radios capable of statewide interoperability;
 - \$321.6 million in General Revenue Funds from Sporting Goods Sales Tax transfers, which is an increase of \$44.0 million from the 2018–19 biennium;
 - \$131.1 million in Federal Funds, which includes a \$104.5 million decrease primarily due to the agency spending down allotment balances during fiscal year 2018. This amount does not represent an overall decrease in Federal Funds available to the agency. The agency receives funding from various federal sources for wildlife and fisheries conservation and management, developing outdoor recreation opportunities, law enforcement, and outreach and education efforts; and
 - the supplemental appropriations bill provides \$35.5 million from the ESF for the agency to enter into a memorandum of understanding with an appropriate nonprofit foundation for the operation and maintenance of the Battleship Texas contingent on the enactment of legislation.
- Funding for the Commission on Environmental Quality includes the following amounts:
 - a \$90.0 million decrease in General Revenue–Dedicated Funds for onetime emergency funding transferred to the Texas Division of Emergency Management for debris removal associated with Hurricane Harvey recovery;
 - \$5.5 million for the Rio Grande Compact Commission for litigation expenses associated with continuation of the State of Texas’ lawsuit against the State of New Mexico for equitable distribution of water of the Rio Grande River. In addition, the supplemental appropriations bill provides \$1.4 million for the same purpose;
 - \$4.5 million in General Revenue–Dedicated Funds from Account No. 151, Clean Air, for air quality-planning activities to reduce ozone in near nonattainment areas; and
 - an estimated \$1.3 million in General Revenue–Dedicated Funds from Account No. 151 for the expedited processing of air permit applications at 2018–19 biennial spending levels, with authority for an additional 10.0 full-time-equivalent positions. The agency has estimated appropriation authority to spend all revenues collected for this purpose.
- Funding for the Department of Agriculture provides \$1.2 billion in All Funds, an increase of \$71.3 million in Federal Funds, for food and nutrition programs in schools and communities resulting from increased population projections.
- The supplemental appropriations bill provides \$150.0 million from the ESF for the Soil and Water Conservation Board for dam infrastructure projects.
- Funding for the Railroad Commission includes the following amounts:

- \$39.1 million in General Revenue Funds, an increase of \$0.9 million, for oil and gas well plugging and site remediation. This funding is anticipated to enable the agency to clean 230 sites and plug 1,400 wells during each fiscal year; and
- \$26.9 million in General Revenue Funds to upgrade the agency's mainframe computer system.

Figure 38 shows the All Funds appropriations for each agency in Article VI, and **Figures 39** and **40** show the appropriations for each agency in General Revenue Funds and General Revenue–Dedicated Funds, respectively.

FIGURE 38
ARTICLE VI – NATURAL RESOURCES RECOMMENDATIONS BY AGENCY, ALL FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|---|-------------------------------|--------------------|--------------------|----------------------|
| METHOD OF FINANCE | | | | |
| Department of Agriculture | \$1,330.0 | \$1,399.9 | \$69.9 | 5.3% |
| Animal Health Commission | \$32.4 | \$30.8 | (\$1.6) | (4.9%) |
| Commission on Environmental Quality | \$845.3 | \$766.6 | (\$78.7) | (9.3%) |
| General Land Office and Veterans' Land Board | \$2,413.9 | \$4,860.0 | \$2,446.1 | 101.3% |
| Low-level Radioactive Waste Disposal Compact Commission | \$0.9 | \$1.2 | \$0.3 | 30.0% |
| Parks and Wildlife Department | \$853.3 | \$795.6 | (\$57.7) | (6.8%) |
| Railroad Commission | \$256.1 | \$282.2 | \$26.1 | 10.2% |
| Soil and Water Conservation Board | \$70.4 | 74.2 | \$3.8 | 5.4% |
| Water Development Board | \$369.3 | \$381.3 | \$12.0 | 3.2% |
| Subtotal, Natural Resources | \$6,171.6 | \$8,591.8 | \$2,420.2 | 39.2% |
| Employee Benefits and Debt Service | \$427.9 | \$436.3 | \$8.4 | 2.0% |
| Less Interagency Contracts | \$33.6 | \$15.1 | (\$18.5) | (55.0%) |
| Total, All Functions | \$6,566.0 | \$9,013.0 | \$2,447.1 | 37.3% |

NOTES:

(1) Excludes interagency contracts.

(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 39
ARTICLE VI – NATURAL RESOURCES BY AGENCY, GENERAL REVENUE FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED | CCR HB1 | BIENNIAL | PERCENTAGE |
|---|--------------------|------------------|----------------|--------------|
| METHOD OF FINANCE | 2018–19 | 2020–21 | CHANGE | CHANGE |
| Department of Agriculture | \$105.9 | \$109.3 | \$3.4 | 3.2% |
| Animal Health Commission | \$28.3 | \$27.5 | (\$0.8) | (3.0%) |
| Commission on Environmental Quality | \$35.3 | \$42.3 | \$7.0 | 19.9% |
| General Land Office and Veterans' Land Board | \$66.9 | \$27.1 | (\$39.8) | (59.5%) |
| Low-level Radioactive Waste Disposal Compact Commission | \$0.0 | \$0.0 | \$0.0 | N/A |
| Parks and Wildlife Department | \$261.2 | \$328.5 | \$67.3 | 25.8% |
| Railroad Commission | \$61.1 | \$107.8 | \$46.7 | 76.5% |
| Soil and Water Conservation Board | \$44.4 | \$43.6 | (\$0.8) | (1.9%) |
| Water Development Board | \$130.0 | \$133.5 | \$3.4 | 2.6% |
| Subtotal, Natural Resources | \$733.2 | \$819.7 | \$86.5 | 11.8% |
| Employee Benefits and Debt Service | \$177.4 | \$197.6 | \$20.3 | 11.4% |
| Total, All Functions | \$910.6 | \$1,017.3 | \$106.8 | 11.7% |

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 40
ARTICLE VI – NATURAL RESOURCES BY AGENCY, GENERAL REVENUE–DEDICATED FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED | CCR HB1 | BIENNIAL | PERCENTAGE |
|---|--------------------|------------------|-----------------|---------------|
| METHOD OF FINANCE | 2018–19 | 2020–21 | CHANGE | CHANGE |
| Department of Agriculture | \$4.6 | \$3.2 | (\$1.4) | (31.3%) |
| Animal Health Commission | \$0.0 | \$0.0 | \$0.0 | N/A |
| Commission on Environmental Quality | \$714.2 | \$635.7 | (\$78.5) | (11.0%) |
| General Land Office and Veterans' Land Board | \$30.4 | \$32.6 | \$2.2 | 7.3% |
| Low-level Radioactive Waste Disposal Compact Commission | \$0.9 | \$1.2 | \$0.3 | 30.0% |
| Parks and Wildlife Department | \$307.3 | \$308.0 | \$0.7 | 0.2% |
| Railroad Commission | \$135.1 | \$155.4 | \$20.3 | 15.0% |
| Soil and Water Conservation Board | \$0.0 | \$0.0 | \$0.0 | N/A |
| Water Development Board | \$0.0 | \$0.0 | \$0.0 | N/A |
| Subtotal, Natural Resources | \$1,192.5 | \$1,136.0 | (\$56.5) | (4.7%) |
| Employee Benefits and Debt Service | \$174.1 | \$160.2 | (\$13.9) | (8.0%) |
| Total, All Functions | \$1,366.6 | \$1,296.2 | (\$70.5) | (5.2%) |

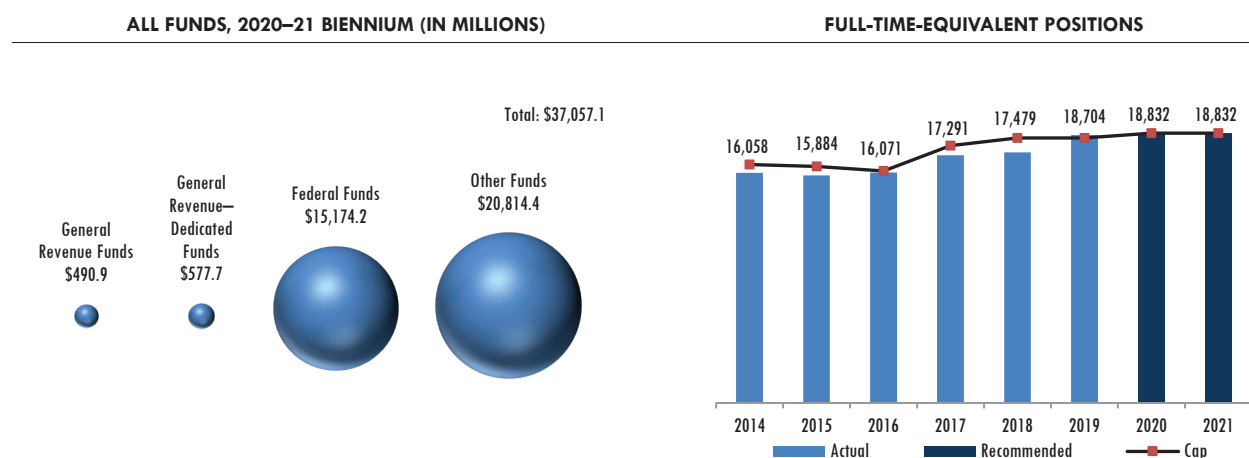
NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT

FIGURE 41
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, BY METHOD OF FINANCE

| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|--------------------------------------|-------------------------------|--------------------|--------------------|----------------------|
| METHOD OF FINANCE | | | | |
| General Revenue Funds | \$496.5 | \$490.9 | (\$5.7) | (1.1%) |
| General Revenue–Dedicated Funds | \$571.9 | \$577.7 | \$5.8 | 1.0% |
| Federal Funds | \$14,715.8 | \$15,174.2 | \$458.4 | 3.1% |
| Other Funds | \$20,803.3 | \$20,814.4 | \$11.1 | 0.1% |
| Total, All Methods of Finance | \$36,587.5 | \$37,057.1 | \$469.6 | 1.3% |



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCES: Legislative Budget Board; State Auditor's Office.

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE VII

All Funds for the Business and Economic Development agencies total \$37.1 billion for the 2020–21 biennium, an increase of \$469.6 million, or 1.3 percent, from the 2018–19 biennium. General Revenue Funds total \$490.9 million, a decrease of \$5.7 million, or 1.1 percent, from the 2018–19 biennium.

HIGHLIGHTS

- Funding for the Texas Department of Transportation (TxDOT) for the 2020–21 biennium includes \$31.1 billion in All Funds, an increase of \$0.3 billion from the 2018–19 biennium. Funding includes the following amounts: an estimated \$5.0 billion from anticipated state sales tax deposits to the State Highway Fund (SHF) pursuant to Proposition 7, 2015 (an increase of \$0.1 billion); an estimated \$3.9 billion from oil and natural gas tax-related deposits to the SHF pursuant to Proposition 1, 2014 (an increase of \$0.6 billion); and all SHF available from traditional transportation tax and fee revenue sources, estimated to be \$9.3 billion for the 2020–21 biennium, an increase of \$0.7 billion. These increases are offset by a decrease of \$1.3 billion in Other Funds from bond proceeds. The supplemental appropriations bill includes \$125.0 million from the Economic Stabilization Fund to provide grants to counties through the Transportation Infrastructure Fund.

- Funding of \$326.0 million in Revenue Bond Proceeds is provided for the construction and equipping of the Austin Campus Consolidation project for the relocation and consolidation of TxDOT facilities and operations in the Austin area.
- Funding for the Department of Motor Vehicles includes a net decrease of \$19.5 million in All Funds, which includes decreases of \$13.2 million in General Revenue Funds and \$6.3 million in Other Funds from the Texas Department of Motor Vehicles Fund and the SHF primarily related to onetime appropriations for information technology projects and deferred maintenance of buildings and facilities.
- Funding for the Texas Workforce Commission includes a net increase in All Funds of \$191.6 million primarily due to an increase in federal appropriations for the Child Care and Development Block Grant for childcare services provided to low-income families.
- Funding for the Texas Lottery Commission includes a net increase in All Funds of \$5.6 million. This increase is attributable to an increase of \$10.9 million for the Lottery Operator Contract and an increase of \$7.1 million for Retailer Commissions, both of which are based on increasing total projected sales; an increase of \$0.7 million for the Retailer Bonus program; an increase of \$1.8 million for construction of the agency's new headquarters facility; and an increase of \$0.3 million for ongoing information technology needs. These increases are offset primarily by a decrease of \$15.0 million for mass media advertising.
- Funding for the Department of Housing and Community Affairs includes an increase of \$26.4 million in All Funds, including a \$3.0 million increase in General Revenue Funds for the Homeless Housing and Services Program to serve homeless youth, a \$24.1 million increase in Federal Funds primarily for the HOME Investment Partnerships Program and the Housing Trust Fund, and a \$0.7 million decrease in Other Funds from projected Appropriated Receipts.

Figure 42 shows the All Funds appropriation for each agency in Article VII, and **Figure 43** shows the General Revenue Funds appropriation for each agency.

FIGURE 42
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, ALL FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED | CCR HB1 | BIENNIAL | PERCENTAGE |
|---|--------------------|-------------------|----------------|-------------|
| FUNCTION | 2018–19 | 2020–21 | CHANGE | CHANGE |
| Department of Housing and Community Affairs | \$550.4 | \$576.8 | \$26.4 | 4.8% |
| Texas Lottery Commission | \$535.3 | \$540.9 | \$5.6 | 1.0% |
| Department of Motor Vehicles | \$328.9 | \$309.4 | (\$19.5) | (5.9%) |
| Department of Transportation | \$30,844.8 | \$31,108.1 | \$263.3 | 0.9% |
| Texas Workforce Commission | \$3,602.5 | \$3,794.1 | \$191.6 | 5.3% |
| Reimbursements to the Unemployment Compensation Benefit Account | \$37.8 | \$37.8 | \$0.0 | 0.0% |
| Subtotal, Business and Economic Development | \$35,899.7 | \$36,367.0 | \$467.3 | 1.3% |
| Retirement and Group Insurance | \$753.1 | \$783.7 | \$30.6 | 4.1% |
| Social Security and Benefits Replacement Pay | \$151.6 | \$151.9 | \$0.3 | 0.2% |
| Bond Debt Service Payments | \$26.6 | \$21.3 | (\$5.3) | (19.7%) |
| Lease Payments | \$0.6 | 0.0 | (\$0.6) | (100.0%) |
| Subtotal, Employee Benefits and Debt Service | \$931.9 | \$957.0 | \$25.1 | 2.7% |
| Less Interagency Contracts | \$244.2 | \$266.9 | \$22.8 | 9.3% |
| Total, All Functions | \$36,587.5 | \$37,057.1 | \$469.6 | 1.3% |

NOTES:

(1) Excludes Interagency Contracts.

(2) Figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 43
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, GENERAL REVENUE FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED | CCR HB1 | BIENNIAL | PERCENTAGE |
|---|--------------------|----------------|----------------|---------------|
| FUNCTION | 2018–19 | 2020–21 | CHANGE | CHANGE |
| Department of Housing and Community Affairs | \$24.4 | \$27.3 | \$3.0 | 12.2% |
| Texas Lottery Commission | \$0.0 | \$0.0 | \$0.0 | N/A |
| Department of Motor Vehicles | \$38.9 | \$25.7 | (\$13.2) | (34.0%) |
| Department of Transportation | \$3.9 | \$4.4 | \$0.5 | 12.9% |
| Texas Workforce Commission | \$382.2 | \$390.2 | \$8.0 | 2.1% |
| Reimbursements to the Unemployment Compensation Benefit Account | \$0.0 | \$0.0 | \$0.0 | N/A |
| Subtotal, Business and Economic Development | \$449.3 | \$447.6 | (\$1.7) | (0.4%) |
| Retirement and Group Insurance | \$15.8 | \$17.0 | \$1.3 | 8.0% |
| Social Security and Benefit Replacement Pay | \$4.9 | \$4.9 | \$0.0 | 0.2% |
| Bond Debt Service Payments | \$25.9 | \$21.3 | (\$4.6) | (17.7%) |
| Lease Payments | \$0.6 | \$0.0 | (\$0.6) | (100.0%) |
| Subtotal, Employee Benefits and Debt Service | \$47.2 | \$43.3 | (\$3.9) | (8.4%) |
| Total, All Functions | \$496.5 | \$490.9 | (\$5.7) | (1.1%) |

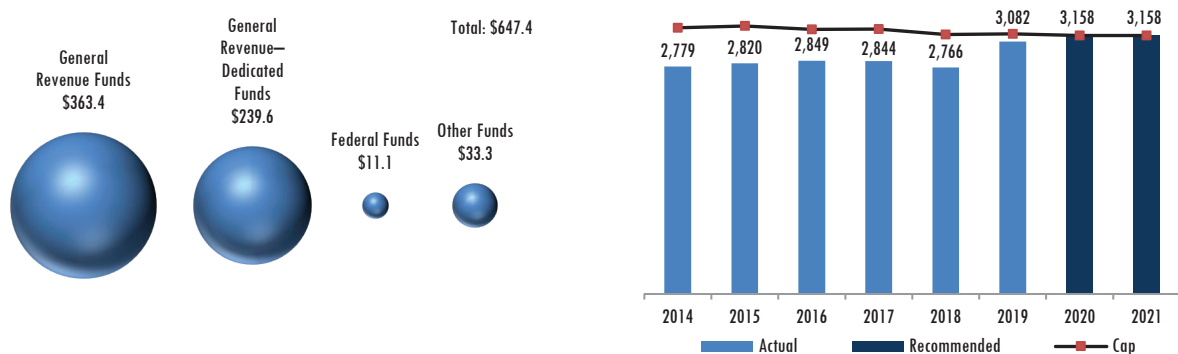
NOTE: Figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

ARTICLE VIII – REGULATORY

FIGURE 44
ARTICLE VIII – REGULATORY, BY METHOD OF FINANCE

| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|--------------------------------------|-------------------------------|--------------------|--------------------|----------------------|
| METHOD OF FINANCE | | | | |
| General Revenue Funds | \$345.3 | \$363.4 | \$18.1 | 5.2% |
| General Revenue–Dedicated Funds | \$236.1 | \$239.6 | \$3.5 | 1.5% |
| Federal Funds | \$12.6 | \$11.1 | (\$1.6) | (12.5%) |
| Other Funds | \$77.6 | \$33.3 | (\$44.3) | (57.1%) |
| Total, All Methods of Finance | \$671.7 | \$647.4 | (\$24.3) | (3.6%) |



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.
- (3) Due to enactment of House Bill 3078, Eighty-fifth Legislature, Regular Session, 2017, relating to the transfer of the regulation of podiatry to the Texas Department of Licensing and Regulation effective September 1, 2017, all funding and full-time-equivalent positions previously appropriated to the Board of Podiatric Medical Examiners are included in the estimates for the Texas Department of Licensing and Regulation.

SOURCES: Legislative Budget Board; State Auditor's Office.

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE VIII

All Funds for the Regulatory agencies total \$647.4 million for the 2020–21 biennium, a decrease of \$24.3 million, or 3.6 percent from the 2018–19 biennium. The decrease in funding is related primarily to the anticipated expiration of the Health Insurance Risk Pool at the Texas Department of Insurance, pursuant to statutory requirements. However, Senate Bill 1940, Eighty-sixth Legislature, 2019, would continue the Health Insurance Risk Pool into the 2020–21 biennium, and House Bill 1 includes an equivalent appropriation contingent on the enactment of the bill. The regulatory agencies regulate various industries, including health-related occupations, nonhealth-related occupations, securities, and pari-mutuel racing. The appropriations and indirect costs for the majority of these agencies are supported by fees generated from the industries and occupations that they regulate.

HIGHLIGHTS

- The Sunset Advisory Commission reviewed several Article VIII agencies including the Texas Funeral Service Commission, Board of Professional Geoscientists, Board of Professional Land Surveying, Texas Medical Board, State Board of Plumbing Examiners, State Board of Examiners of Psychologists, and the State Securities Board. Sunset contingency riders are included for each agency under review.

- Funding for the Department of Insurance includes a net All Funds decrease of \$40.9 million for the 2020–21 biennium. This amount includes a decrease of \$42.1 million in General Revenue–Dedicated Funds and Other Funds due to the anticipated expiration of the temporary Health Insurance Risk Pool, pursuant to statutory requirements. Senate Bill 2087, Eighty-fifth Legislature, Regular Session, 2017, established the pool to assist Texas residents in accessing quality healthcare contingent upon federal law, regulation, or executive action. However, Senate Bill 1940 would continue the Health Insurance Risk Pool into the 2020–21 biennium, and House Bill 1, Conference Committee Report, Article IX, includes an equivalent appropriation contingent on the enactment of the bill. Decreases are offset by an increase of \$4.4 million in General Revenue Funds to continue the agency’s State Regulatory Response Rider, which authorizes the agency to respond to unexpected changes in the insurance market, including emergencies and natural and human-caused disasters.
- Funding for the Public Utility Commission includes a net increase of \$2.2 million in All Funds for the water and wastewater rate program, staffing for increased enforcement activities, the increased cost of the agency’s hearings with the State Office of Administrative Hearings, financial and managerial assistance for smaller and rural utilities, salary increases to address turnover, and utility cybersecurity oversight.
- Funding for the Texas Department of Licensing and Regulation includes an increase of \$3.9 million in General Revenue Funds for the agency’s requests related to a new licensing system (\$2.7 million) and a new Human Trafficking Team (\$1.5 million) in the agency’s Inspections and Enforcement divisions. Also included are an additional 12.0 full-time-equivalent (FTE) positions for the Human Trafficking Team and an additional 5.0 FTE positions to provide information technology (IT) support during implementation of the new licensing system.
- Funding for the Board of Pharmacy includes an increase of \$1.5 million in General Revenue Funds for vehicle replacement, salary increases, 6.0 additional FTE positions, services and subscriptions, IT projects, and costs related to the Health Professions Council. Funding includes \$4.4 million in All Funds for ongoing operation of the Prescription Monitoring Program (PMP). The supplemental appropriations bill includes \$6.0 million in General Revenue Funds for upgrades (statewide integration) to the PMP.
- Funding for the State Office of Administrative Hearings includes a net decrease of \$1.2 million in All Funds primarily for onetime expenses for the agency’s case management system from the 2018–19 biennium. The agency’s 2020–21 biennial hourly billing rate for Interagency Contracts in House Bill 1, Conference Committee Report, Article VIII, Rider 7, Billing Rate for Workload, is increased to \$150.

Figure 45 shows the All Funds appropriation for each agency in Article VIII, and **Figure 46** shows the General Revenue Funds appropriation for each agency.

FIGURE 45
ARTICLE VIII – REGULATORY, ALL FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED | CCR HB1 | BIENNIAL | PERCENTAGE |
|---|--------------------|----------------|-----------------|---------------|
| FUNCTION | 2018–19 | 2020–21 | CHANGE | CHANGE |
| State Office of Administrative Hearings | \$25.3 | \$24.1 | (\$1.2) | (4.7%) |
| Board of Chiropractic Examiners | \$1.7 | \$1.8 | \$0.1 | 5.3% |
| State Board of Dental Examiners | \$8.7 | \$9.3 | \$0.5 | 6.2% |
| Texas Funeral Service Commission | \$1.7 | \$1.7 | \$0.0 | 2.9% |
| Board of Professional Geoscientists | \$1.1 | \$1.2 | \$0.0 | 4.2% |
| Health Professions Council | \$2.2 | \$2.3 | \$0.1 | 4.4% |
| Office of Injured Employee Counsel | \$17.5 | \$17.5 | \$0.0 | 0.0% |
| Department of Insurance | \$269.5 | \$228.6 | (\$40.9) | (15.2%) |
| Office of Public Insurance Counsel | \$2.1 | \$2.1 | \$0.0 | 0.0% |
| Board of Professional Land Surveyors | \$1.0 | \$1.0 | (\$0.0) | (0.0%) |
| Department of Licensing and Regulation | \$71.2 | \$75.1 | \$3.9 | 5.4% |
| Texas Medical Board | \$27.5 | \$29.3 | \$1.8 | 6.6% |
| Board of Nursing | \$25.5 | \$26.3 | \$0.8 | 3.0% |
| Texas Optometry Board | \$1.0 | \$1.0 | \$0.0 | 1.9% |
| State Board of Pharmacy | \$18.7 | \$20.2 | \$1.5 | 8.2% |
| Executive Council of Physical and Occupational Therapy Examiners | \$2.9 | \$2.8 | (\$0.1) | (3.0%) |
| Board of Plumbing Examiners | \$5.3 | \$5.8 | \$0.5 | 10.0% |
| Board of Examiners of Psychologists | \$1.9 | \$1.9 | \$0.1 | 3.3% |
| Texas Racing Commission | \$13.3 | \$14.6 | \$1.4 | 10.2% |
| Texas State Securities Board | \$13.7 | \$15.5 | \$1.8 | 13.0% |
| Public Utility Commission | \$32.6 | \$34.8 | \$2.2 | 6.7% |
| Office of Public Utility Counsel | \$4.3 | \$4.3 | \$0.0 | 0.0% |
| Board of Veterinary Medical Examiners | \$2.8 | \$2.8 | (\$0.0) | (1.7%) |
| Subtotal, Regulatory | \$551.6 | \$524.1 | (\$27.5) | (5.0%) |
| Retirement and Group Insurance | \$106.3 | \$109.8 | \$3.5 | 3.3% |
| Social Security and Benefits Replacement Pay | \$25.8 | \$25.9 | \$0.1 | 0.3% |
| Lease Payments | \$0.3 | \$0.0 | (\$0.3) | (95.3%) |
| Subtotal, Employee Benefits and Debt Service | \$132.4 | \$135.7 | \$3.3 | 2.5% |
| Less Interagency Contracts | \$12.3 | \$12.4 | \$0.1 | 1.1% |
| Total, All Functions | \$671.7 | \$647.4 | (\$24.3) | (3.6%) |

NOTES:

(1) Excludes Interagency Contracts.

(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 46
ARTICLE VIII – REGULATORY, GENERAL REVENUE FUNDS

| (IN MILLIONS) | ESTIMATED/BUDGETED 2018–19 | CCR HB1 2020–21 | BIENNIAL CHANGE | PERCENTAGE CHANGE |
|---|-------------------------------|--------------------|--------------------|----------------------|
| FUNCTION | | | | |
| State Office of Administrative Hearings | \$15.6 | \$14.3 | (\$1.3) | (8.3%) |
| Board of Chiropractic Examiners | \$1.5 | \$1.7 | \$0.2 | 12.8% |
| State Board of Dental Examiners | \$8.2 | \$8.8 | \$0.5 | 6.5% |
| Texas Funeral Service Commission | \$1.5 | \$1.5 | \$0.0 | 3.2% |
| Board of Professional Geoscientists | \$1.1 | \$1.2 | \$0.0 | 4.2% |
| Health Professions Council | \$0.0 | \$0.0 | \$0.0 | N/A |
| Office of Injured Employee Counsel | \$0.0 | \$0.0 | \$0.0 | N/A |
| Department of Insurance | \$81.3 | \$86.4 | \$5.1 | 6.2% |
| Office of Public Insurance Counsel | \$1.7 | \$1.7 | \$0.0 | 0.0% |
| Board of Professional Land Surveyors | \$0.9 | \$0.9 | \$0.0 | 0.0% |
| Department of Licensing and Regulation | \$60.5 | \$64.4 | \$3.9 | 6.4% |
| Texas Medical Board | \$20.3 | \$23.0 | \$2.7 | 13.5% |
| Board of Nursing | \$18.1 | \$18.9 | \$0.8 | 4.3% |
| Texas Optometry Board | \$0.9 | \$0.9 | \$0.0 | 2.8% |
| State Board of Pharmacy | \$16.6 | \$18.2 | \$1.5 | 9.2% |
| Executive Council of Physical and Occupational Therapy Examiners | \$2.8 | \$2.7 | (\$0.1) | (3.1%) |
| Board of Plumbing Examiners | \$5.2 | \$5.7 | \$0.5 | 10.3% |
| Board of Examiners of Psychologists | \$1.6 | \$1.8 | \$0.1 | 8.0% |
| Texas Racing Commission | \$0.0 | \$0.0 | \$0.0 | N/A |
| Texas State Securities Board | \$13.7 | \$15.5 | \$1.8 | 13.0% |
| Public Utility Commission | \$26.6 | \$27.6 | \$1.1 | 4.1% |
| Office of Public Utility Counsel | \$3.3 | \$3.3 | \$0.0 | 0.0% |
| Board of Veterinary Medical Examiners | \$2.8 | \$2.8 | (\$0.0) | (1.7%) |
| Subtotal, Regulatory | \$284.3 | \$301.3 | \$16.9 | 6.0% |
| Retirement and Group Insurance | \$47.9 | \$49.1 | \$1.2 | 2.6% |
| Social Security and Benefits Replacement Pay | \$13.0 | \$13.1 | \$0.1 | 0.5% |
| Lease Payments | \$0.2 | \$0.0 | (\$0.1) | (90.5%) |
| Subtotal, Employee Benefits and Debt Service | \$61.0 | \$62.2 | \$1.2 | 1.9% |
| Total, All Functions | \$345.3 | \$363.4 | \$18.1 | 5.2% |

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

READER'S GUIDE TO GENERAL APPROPRIATIONS BILLS

This guide explains certain key elements of a General Appropriations Bill. The version of the General Appropriations Bill that becomes law is referred to as the General Appropriations Act (GAA). The GAA is the state's budget for a two-year period referred to as a biennium.

General Appropriations Bills are categorized by articles that cover a certain area of government. For example, Article I applies to areas of General Government, Article II covers Health and Human Services, and Article III applies to Public and Higher Education. Six additional articles cover other areas of government. Article IX, General Provisions, contains additional limitations, authority, and requirements applicable to other articles.

Articles contain agency bill patterns that all follow a similar format. Article-specific summary information is included at the end of each article.

The following sample shows a bill pattern for the Office of Attorney General.

A **Agency names** are followed by their bill patterns, which consist of items of appropriations and riders.

B **Methods of Finance (MOF)** describe different fund types in an agency's appropriations. The four MOF categories are General Revenue Fund (GR), General Revenue-Dedicated Funds (GR-D), Federal Funds, and Other Funds. Each of these four may contain subcategories.

C **The Number of Full-Time Equivalents (FTE)** shows the maximum number of FTE positions, or FTE cap, for the agency.

D **The Schedule of Exempt Positions** indicates annual salary caps for certain agency executives.

E The left footer shows the version of the appropriations bill. This is the Conference Committee version.

F The center footer shows the article number followed by its page number. This is the third page of Article I, General Government.

| A OFFICE OF THE ATTORNEY GENERAL | | |
|--|-----------------------|-----------------------|
| | For the Years Ending | |
| | August 31, 2020 | August 31, 2021 |
| B Method of Financing: | | |
| General Revenue Fund | | |
| General Revenue Fund | \$ 129,761,006 | \$ 117,154,615 |
| Child Support Retained Collection Account | 120,323,169 | 108,952,182 |
| Attorney General Debt Collection Receipts | 8,300,000 | 8,300,000 |
| General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees Account No. 8042 | 3,411,343 | 3,411,343 |
| Subtotal, General Revenue Fund | \$ 261,795,518 | \$ 237,818,140 |
| General Revenue Fund - Dedicated | | |
| Compensation to Victims of Crime Account No. 469 | \$ 70,659,952 | \$ 70,667,258 |
| Compensation to Victims of Crime Auxiliary Account No. 494 | 161,349 | 161,349 |
| AG Law Enforcement Account No. 5006 | 308,431 | 308,431 |
| Sexual Assault Program Account No. 5010 | 10,188,546 | 10,188,546 |
| Subtotal, General Revenue Fund - Dedicated | \$ 81,318,278 | \$ 81,325,584 |
| Federal Funds | \$ 302,471,876 | \$ 236,852,107 |
| Other Funds | | |
| Interagency Contracts - Criminal Justice Grants | \$ 951,333 | \$ 951,334 |
| Appropriated Receipts | 42,560,900 | 33,770,328 |
| Interagency Contracts | 39,968,007 | 39,971,875 |
| License Plate Trust Fund Account No. 0802, estimated | 31,000 | 31,000 |
| Subtotal, Other Funds | \$ 83,511,240 | \$ 74,724,537 |
| Total, Method of Financing | \$ 729,096,912 | \$ 630,720,368 |
| This bill pattern represents an estimated 100% of this agency's estimated total available funds for the biennium. | | |
| C Number of Full-Time-Equivalents (FTE): | 4,219.4 | 4,225.4 |
| D Schedule of Exempt Positions: | | |
| Attorney General, Group 6 | \$153,750 | \$153,750 |
| E A813-Conf-1-A | F I-3 | May 19, 2019 |

G Agency **Items of Appropriation** consist of goals with multiple strategies. Each strategy has its own appropriation.

H **Grand Total** amounts are the sum of all individual agency strategy appropriations. Note that Grand Total amounts exactly match the Total, Method of Financing line above, and the Total, Object-of-Expense Informational Listing at the top of the next page.

I **Object-of-Expense (OOE) Informational Listing** categorizes the use of the agency's appropriation made above. It is not a separate appropriation.

J Entries for **Employee Benefits** and **Debt Service** are not specific agency appropriations, but rather an estimate of the amounts needed for this agency that are appropriated elsewhere.

| OFFICE OF THE ATTORNEY GENERAL (Continued) | | | |
|---|---|----------------|----------------|
| G | Items of Appropriation: | | |
| | A. Goal: PROVIDE LEGAL SERVICES Provide General Legal Services to the State and Authorized Entities. | | |
| | A.1.1. Strategy: LEGAL SERVICES Provide Legal Counsel/Litigation/Alternative Dispute Resolution Svcs. | \$ 117,133,838 | \$ 119,412,398 |
| | B. Goal: ENFORCE CHILD SUPPORT LAW Enforce State/Federal Child Support Laws. | | |
| | B.1.1. Strategy: CHILD SUPPORT ENFORCEMENT Establish Paternity/Obligations, Enforce Orders and Distribute Monies. | \$ 350,721,528 | \$ 357,493,977 |
| | B.1.2. Strategy: STATE DISBURSEMENT UNIT | 14,375,236 | 14,375,236 |
| | Total, Goal B: ENFORCE CHILD SUPPORT LAW | \$ 365,096,764 | \$ 371,869,213 |
| | C. Goal: CRIME VICTIMS' SERVICES Review/Process Applications for Compensation to Crime Victims. | | |
| | C.1.1. Strategy: CRIME VICTIMS' COMPENSATION Review Claims, Determine Eligibility/State Liability, Pay Correctly. | \$ 81,442,767 | \$ 81,810,491 |
| | C.1.2. Strategy: VICTIMS ASSISTANCE Provide Grants & Contracts for Victims Svcs/Sexual Asslt Victims. | 37,951,313 | 37,315,007 |
| | Total, Goal C: CRIME VICTIMS' SERVICES | \$ 119,394,080 | \$ 119,125,498 |
| | D. Goal: REFER MEDICAID CRIMES Investigate/Refer for Prosecution Fraud/Misconduct Involving Medicaid. | | |
| | D.1.1. Strategy: MEDICAID INVESTIGATION Conduct Investigation Supporting Prosecution of Alleged Medicaid Crime. | \$ 19,587,518 | \$ 19,596,220 |
| | E. Goal: GENERAL ADMINISTRATION Administration for OAG. | | |
| | E.1.1. Strategy: AGENCY IT PROJECTS Administer Information Technology Projects across the Agency. | \$ 107,171,541 | \$ 0 |
| | F. Goal: ADMINISTRATIVE SUPPORT FOR SORM Provide Administrative Support for the State Office of Risk Management. | | |
| | F.1.1. Strategy: ADMINISTRATIVE SUPPORT FOR SORM Provide Administrative Support to the State Office of Risk Management. | \$ 713,171 | \$ 717,039 |
| H | Grand Total, OFFICE OF THE ATTORNEY GENERAL | \$ 729,096,912 | \$ 630,720,368 |
| I | Object-of-Expense Informational Listing: | | |
| | Salaries and Wages | \$ 250,204,400 | \$ 253,022,529 |
| | Other Personnel Costs | 8,242,753 | 8,245,153 |
| | Professional Fees and Services | 206,419,865 | 104,099,169 |
| | Fuels and Lubricants | 365,315 | 365,315 |
| | Consumable Supplies | 1,586,457 | 1,586,457 |
| | Utilities | 2,997,254 | 3,001,994 |
| | Travel | 4,879,383 | 4,901,883 |
| | Rent - Building | 24,103,547 | 25,603,547 |
| | Rent - Machine and Other | 1,320,110 | 1,320,110 |
| | Other Operating Expense | 174,684,408 | 175,081,638 |
| | Grants | 53,285,712 | 52,599,165 |
| | Capital Expenditures | 1,007,708 | 893,408 |
| J | Total, Object-of-Expense Informational Listing | \$ 729,096,912 | \$ 630,720,368 |
| J | Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act: | | |
| | <u>Employee Benefits</u> Retirement | \$ 21,825,879 | \$ 21,935,008 |
| | Group Insurance | 48,330,906 | 49,021,604 |

K Performance Measure Targets instruct agencies on specific desired results within their strategies. Targets include four types of measures: outcome; output; efficiency; and explanatory/input. The Performance Measure Targets section is also the beginning of the Rider Section of an agency bill pattern. Riders inform agencies on their use of items of appropriations. They may authorize, direct, or limit the use of items of appropriation.

L For agencies that have a **Capital Budget rider**, it will appear as the second rider. Capital Budgets do not make additional appropriations, but rather direct the use of items of appropriation made above for specific uses. Capital Budgets direct the agency purchase or lease of vehicles, information resources, real property, or certain road construction or building repair.

OFFICE OF THE ATTORNEY GENERAL
(Continued)

| | | | |
|----------|--|----------------------|----------------------|
| J | Social Security Benefits Replacement | 17,414,719 | 17,501,792 |
| | | <u>342,371</u> | <u>291,015</u> |
| | Subtotal, Employee Benefits | \$ 87,913,875 | \$ 88,749,419 |
| J | Debt Service Lease Payments | \$ 346,932 | \$ 240,539 |
| | Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act | <u>\$ 88,260,807</u> | <u>\$ 88,989,958</u> |

K 1. **Performance Measure Targets.** The following is a listing of the key performance target levels for the Office of the Attorney General. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Office of the Attorney General. In order to achieve the objectives and service standards established by this Act, the Office of the Attorney General shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

| | 2020 | 2021 |
|---|------------|------------|
| A. Goal: PROVIDE LEGAL SERVICES | | |
| Outcome (Results/Impact): | | |
| Delinquent State Revenue Collected | 50,000,000 | 50,000,000 |
| A.1.1. Strategy: LEGAL SERVICES | | |
| Output (Volume): | | |
| Legal Hours Billed to Litigation and Legal Counsel | 1,127,046 | 1,132,240 |
| Efficiencies: | | |
| Average Cost Per Legal Hour | 103.93 | 105.46 |
| B. Goal: ENFORCE CHILD SUPPORT LAW | | |
| Outcome (Results/Impact): | | |
| Percent of Title IV-D Cases That Have Court Orders for Child Support | 85% | 85% |
| Percent of All Current Child Support Amounts Due That Are Collected | 65% | 65% |
| Percent of Title IV-D Cases with Arrears Due in Which Any Amount Is Paid Toward Arrears | 65% | 65% |
| Percent of Paternity Establishments for Out of Wedlock Births | 96% | 96% |
| B.1.1. Strategy: CHILD SUPPORT ENFORCEMENT | | |
| Output (Volume): | | |
| Amount of Title IV-D Child Support Collected (in Millions) | 4,400 | 4,450 |
| Efficiencies: | | |
| Ratio of Total Dollars Collected Per Dollar Spent | 13.52 | 13.43 |
| B.1.2. Strategy: STATE DISBURSEMENT UNIT | | |
| Output (Volume): | | |
| Number of Payment Receipts Processed by the SDU Vendor | 22,590,707 | 22,657,319 |
| C. Goal: CRIME VICTIMS' SERVICES | | |
| Outcome (Results/Impact): | | |
| Amount of Crime Victims' Compensation Awarded | 63,363,102 | 63,724,550 |
| C.1.1. Strategy: CRIME VICTIMS' COMPENSATION | | |
| Efficiencies: | | |
| Average Number of Days to Analyze a Claim and Make an Award | 46 | 46 |
| D. Goal: REFER MEDICAID CRIMES | | |
| D.1.1. Strategy: MEDICAID INVESTIGATION | | |
| Output (Volume): | | |
| Number of Investigations Concluded | 500 | 500 |

L 2. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or may be expended on other non-capital expenditures within the strategy to which the funds were appropriated. However, any amounts spent on capital items are subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

| | 2020 | 2021 |
|---|------------|------------|
| a. Acquisition of Information Resource Technologies | | |
| (1) Child Support Hardware/Software Enhancements | \$ 100,000 | \$ 100,000 |

M The **Method of Financing (Capital Budget)** section directs agencies in the use of MOFs for Capital Budget expenses.

N Additional riders follow an agency's Performance Measure Targets (Rider 1) and Capital Budget (Rider 2). Riders may provide general direction on the use of agency appropriation or may provide direction relating to a specific strategy.

OFFICE OF THE ATTORNEY GENERAL
(Continued)

| | | |
|--|----------------|---------------|
| (2) Information Technology Project | 107,171,541 | 0 |
| Total, Acquisition of Information Resource Technologies | \$ 107,271,541 | \$ 100,000 |
| b. Transportation Items | | |
| (1) Child Support Motor Vehicles | \$ 312,000 | \$ 384,000 |
| c. Data Center Consolidation | | |
| (1) Data Center Consolidation | \$ 50,475,531 | \$ 57,828,957 |
| d. Centralized Accounting and Payroll/Personnel System (CAPPS) | | |
| (1) Converted PeopleSoft Licenses | \$ 62,345 | \$ 62,345 |
| (2) CAPPS Transition Phase II | 3,170,743 | 3,329,257 |
| Total, Centralized Accounting and Payroll/Personnel System (CAPPS) | \$ 3,233,088 | \$ 3,391,602 |
| Total, Capital Budget | \$ 161,292,160 | \$ 61,704,559 |
| Method of Financing (Capital Budget): | | |
| General Revenue Fund | | |
| General Revenue Fund | \$ 38,522,595 | \$ 25,115,164 |
| Child Support Retained Collection Account | 11,370,987 | 0 |
| Subtotal, General Revenue Fund | \$ 49,893,582 | \$ 25,115,164 |
| GR Dedicated - Compensation to Victims of Crime Account No. 469 | \$ 321,082 | \$ 345,226 |
| Federal Funds | \$ 101,623,304 | \$ 35,567,769 |
| Other Funds | | |
| Appropriated Receipts | \$ 9,284,249 | \$ 493,677 |
| Interagency Contracts | 169,943 | 182,723 |
| Subtotal, Other Funds | \$ 9,454,192 | \$ 676,400 |
| Total, Method of Financing | \$ 161,292,160 | \$ 61,704,559 |

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3. Cost Allocation, Reporting Requirement. The Office of the Attorney General is directed to continue an accounting and billing system by which the costs of legal services provided to each agency may be determined. This cost information shall be provided to the Legislative Budget Board and the Governor within 60 days after the close of the fiscal year.

4. Child Support Collections.

- a. The Office of the Attorney General shall deposit Child Support Retained Collections in a special account in the Comptroller's Office. The account shall be called the Child Support Retained Collection Account. Child Support Retained Collections shall include the state share of funds collected by the Office of the Attorney General which were previously paid by the State as Aid to Families with Dependent Children (AFDC) or Temporary Assistance for Needy Families (TANF) or foster care payments, all child support enforcement incentive payments received from the federal government, and all revenues specifically established by statute on a fee or service-provided basis and pertaining to the Child Support Enforcement Program.
- b. Amounts earned as interest on, and allocated by the Comptroller of Public Accounts to, the Child Support Trust Fund No. 994, in excess of \$808,289 in fiscal year 2020 and \$808,289 in fiscal year 2021, shall be transferred monthly by the Comptroller of Public Accounts to such funds from the General Revenue Fund, and all amounts so transferred are appropriated to the Office of the Attorney General for use during the 2020-21 biennium, in addition to the amounts otherwise appropriated herein. Amounts transferred pursuant to this provision shall be shown as a separate, individual entry in the Method of Finance in all standard reports regularly utilizing a method of finance which are submitted to the Governor's Office or the Legislative Budget Board.

GENERAL APPROPRIATIONS BILL COMPARISONS

| FIGURE B-1 ALL FUNDS | | | | | | |
|---|------------------------------------|------------------|-------------------|------------------------------------|--|----------|
| (IN MILLIONS) | | | | | | |
| FUNCTION | ESTIMATED /BUDGETED 2018-19 (1) | HOUSE 2020-21 | SENATE 2020-21 | CONFERENCE COMMITTEE 2020-21 | COMPARISON OF CCR HBI TO ESTIMATED/BUDGETED | |
| | | | | | \$ CHANGE | % CHANGE |
| Article I – General Government | \$7,503.3 | \$7,484.7 | \$6,971.9 | \$7,430.0 | (\$73.3) | (1.0%) |
| Article II – Health and Human Services | \$83,584.2 | \$87,634.6 | \$84,655.8 | \$84,368.7 | \$784.5 | 0.9% |
| Article III – Agencies of Education (3) | \$81,229.0 | \$91,567.1 | \$92,151.1 | \$94,525.9 | \$13,296.8 | 16.4% |
| <i>Public Education (3)</i> | \$60,492.7 | \$70,019.6 | \$70,595.0 | \$72,673.1 | \$12,180.3 | 20.1% |
| <i>Higher Education</i> | \$20,736.3 | \$21,547.5 | \$21,556.1 | \$21,852.8 | \$1,116.5 | 5.4% |
| Article IV – Judiciary | \$857.1 | \$955.0 | \$874.0 | \$892.3 | \$35.3 | 4.1% |
| Article V – Public Safety and Criminal Justice | \$18,378.5 | \$15,884.6 | \$15,998.8 | \$16,040.3 | (\$2,338.3) | (12.7%) |
| Article VI – Natural Resources | \$6,566.0 | \$9,115.0 | \$8,928.0 | \$9,013.0 | \$2,447.1 | 37.3% |
| Article VII – Business and Economic Development | \$36,587.5 | \$37,406.3 | \$37,063.9 | \$37,057.1 | \$469.6 | 1.3% |
| Article VIII – Regulatory | \$671.7 | \$644.5 | \$651.4 | \$647.4 | (\$24.3) | (3.6%) |
| Article IX – General Provisions (3) | \$0.0 | \$0.0 | \$0.0 | \$285.3 | \$285.3 | N/A |
| Article X – Legislature | \$392.8 | \$392.0 | \$403.5 | \$392.1 | (\$0.8) | (0.2%) |
| Total, All Functions | \$235,770.2 | \$251,083.6 | \$247,698.4 | \$250,652.1 | \$14,882.0 | 6.3% |
| Amount of Tax Relief | | | | | (\$4,980.0) | |
| Growth Excluding Tax Relief | | | | | \$9,902.00 | 4.2% |

NOTES:

- (1) Amounts estimated or budgeted for the 2018-19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Supplemental bill totals, less anticipated supplemental spending adjustments included in the base.
- (3) Contingent funding of \$11.5 billion for House Bill 3 has been moved from Article IX to Article III, Public Education, for the purposes of this comparison.
- (4) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B–2
GENERAL REVENUE FUNDS

| (IN MILLIONS) | | COMPARISON OF CCR HB1 TO ESTIMATED/BUDGETED | | |
|---|-----------------------------------|--|--------------------|------------------------------------|
| FUNCTION | ESTIMATED/BUDGETED 2018–19 (1) | HOUSE 2020–21 | SENATE 2020–21 | CONFERENCE COMMITTEE 2020–21 |
| | | | | \$ CHANGE % CHANGE |
| Article I – General Government | \$3,406.9 | \$3,519.7 | \$3,798.1 | \$4,006.5 |
| Article II – Health and Human Services | \$34,716.3 | \$34,716.9 | \$33,795.1 | \$33,728.7 |
| Article III – Agencies of Education (3) | \$56,458.4 | \$63,596.7 | \$64,473.1 | \$66,028.2 |
| Public Education (3) | \$41,548.7 | \$48,041.5 | \$48,906.3 | \$50,176.3 |
| Higher Education | \$14,909.7 | \$15,555.2 | \$15,566.8 | \$15,851.9 |
| Article IV – Judiciary | \$490.8 | \$560.0 | \$520.7 | \$527.6 |
| Article V – Public Safety and Criminal Justice | \$11,322.1 | \$11,696.7 | \$12,051.4 | \$12,086.5 |
| Article VI – Natural Resources | \$910.6 | \$829.2 | \$936.8 | \$1,017.3 |
| Article VII – Business and Economic Development | \$496.5 | \$825.2 | \$483.5 | \$490.9 |
| Article VIII – Regulatory | \$345.3 | \$357.3 | \$367.4 | \$363.4 |
| Article IX – General Provisions (3) | \$0.0 | \$0.0 | \$0.0 | \$218.1 |
| Article X – Legislature | \$392.7 | \$391.8 | \$403.3 | \$391.9 |
| Total, All Functions | \$108,539.7 | \$116,493.6 | \$116,829.5 | \$118,859.2 |
| Amount of Tax Relief | | | | \$10,319.5 |
| Growth Excluding Tax Relief | | | | \$5,339.5 |
| | | | | 4.9% |

NOTES:

- (1) Amounts estimated or budgeted for the 2018–19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Supplemental bill totals, less anticipated supplemental spending adjustments included in the base.
- (3) Contingent funding of \$11.5 billion for House Bill 3 has been moved from Article IX to Article III, Public Education, for the purposes of this comparison.
- (4) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B–3
GENERAL REVENUE–DEDICATED FUNDS

| FUNCTION | ESTIMATED/BUDGETED 2018–19 (1) | HOUSE 2020–21 | SENATE 2020–21 | CONFERENCE COMMITTEE 2020–21 | COMPARISON OF CCR HBI TO ESTIMATED/BUDGETED | |
|---|-----------------------------------|------------------|-------------------|------------------------------------|--|---------------|
| | | | | | \$ CHANGE | % CHANGE |
| Article I – General Government | \$858.5 | \$605.7 | \$551.4 | \$581.8 | (\$276.7) | (32.2%) |
| Article II – Health and Human Services | \$566.9 | \$526.1 | \$525.2 | \$527.8 | (\$39.0) | (6.9%) |
| Article III – Agencies of Education | \$2,822.5 | \$2,710.6 | \$2,708.6 | \$2,720.0 | (\$102.5) | (3.6%) |
| <i>Public Education</i> | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | N/A |
| <i>Higher Education</i> | \$2,822.5 | \$2,710.6 | \$2,708.6 | \$2,720.0 | (\$102.5) | (3.6%) |
| Article IV – Judiciary | \$141.1 | \$197.8 | \$185.8 | \$197.2 | \$56.2 | 39.8% |
| Article V – Public Safety and Criminal Justice | \$42.0 | \$37.9 | \$36.0 | \$35.9 | (\$6.1) | (14.5%) |
| Article VI – Natural Resources | \$1,366.6 | \$1,390.2 | \$1,293.5 | \$1,296.2 | (\$70.5) | (5.2%) |
| Article VII – Business and Economic Development | \$571.9 | \$580.2 | \$593.3 | \$577.7 | \$5.8 | 1.0% |
| Article VIII – Regulatory | \$236.1 | \$239.5 | \$239.6 | \$239.6 | \$3.5 | 1.5% |
| Article IX – General Provisions | \$0.0 | \$0.0 | \$0.0 | \$13.5 | \$13.5 | N/A |
| Article X – Legislature | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | N/A |
| Total, All Functions | \$6,605.5 | \$6,288.0 | \$6,133.4 | \$6,189.6 | (\$415.8) | (6.3%) |

NOTES:

- (1) Amounts estimated or budgeted for the 2018–19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Supplemental bill totals, less anticipated supplemental spending adjustments included in the base.
- (3) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B-4
GENERAL REVENUE FUNDS AND GENERAL REVENUE-DEDICATED FUNDS**

| (IN MILLIONS) | | COMPARISON OF CCR HB1 TO ESTIMATED/BUDGETED | | |
|---|-----------------------------------|--|--------------------|------------------------------------|
| FUNCTION | ESTIMATED/BUDGETED 2018-19 (1) | HOUSE 2020-21 | SENATE 2020-21 | CONFERENCE COMMITTEE 2020-21 |
| | | | | \$ CHANGE % CHANGE |
| Article I – General Government | \$4,265.4 | \$4,125.5 | \$4,349.5 | \$4,588.3 |
| Article II – Health and Human Services | \$35,283.2 | \$35,243.0 | \$34,320.4 | \$34,256.5 |
| Article III – Agencies of Education (3) | \$59,280.9 | \$66,307.3 | \$67,181.7 | \$68,748.2 |
| Public Education (3) | \$41,548.7 | \$48,041.5 | \$48,906.3 | \$50,176.3 |
| Higher Education | \$17,732.2 | \$18,265.8 | \$18,275.4 | \$18,571.9 |
| Article IV – Judiciary | \$631.8 | \$757.8 | \$706.5 | \$724.8 |
| Article V – Public Safety and Criminal Justice | \$11,364.1 | \$11,734.5 | \$12,087.4 | \$12,122.4 |
| Article VI – Natural Resources | \$2,277.2 | \$2,219.4 | \$2,230.3 | \$2,313.5 |
| Article VII – Business and Economic Development | \$1,068.4 | \$1,405.4 | \$1,076.8 | \$1,068.5 |
| Article VIII – Regulatory | \$581.4 | \$596.8 | \$607.0 | \$603.0 |
| Article IX – General Provisions (3) | \$0.0 | \$0.0 | \$0.0 | \$231.6 |
| Article X – Legislature | \$392.7 | \$391.8 | \$403.3 | \$391.9 |
| Total, All Functions | \$115,145.1 | \$122,781.6 | \$122,962.9 | \$125,048.8 |
| Amount of Tax Relief | | | | \$9,903.7 |
| Growth Excluding Tax Relief | | | | \$4,923.7 |
| | | | | 8.6% |
| | | | | 4.3% |

NOTES:

- (1) Amounts estimated or budgeted for the 2018-19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Supplemental bill totals, less anticipated supplemental spending adjustments included in the base.
- (3) Contingent funding of \$11.5 billion for House Bill 3 has been moved from Article IX to Article III, Public Education, for the purposes of this comparison.
- (4) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B–5
FEDERAL FUNDS**

(IN MILLIONS)

| FUNCTION | ESTIMATED/BUDGETED 2018–19 (1) | HOUSE 2020–21 | SENATE 2020–21 | CONFERENCE COMMITTEE 2020–21 | COMPARISON OF CCR HBI TO ESTIMATED/BUDGETED | |
|---|-----------------------------------|-------------------|-------------------|------------------------------------|--|-------------|
| | | | | | \$ CHANGE | % CHANGE |
| Article I – General Government | \$1,264.2 | \$1,317.4 | \$1,317.4 | \$1,376.8 | \$112.5 | 8.9% |
| Article II – Health and Human Services | \$46,704.3 | \$50,189.9 | \$49,200.4 | \$48,784.8 | \$2,080.5 | 4.5% |
| Article III – Agencies of Education | \$10,802.5 | \$11,020.6 | \$11,020.6 | \$11,020.6 | \$218.1 | 2.0% |
| <i>Public Education</i> | <i>\$10,519.7</i> | <i>\$10,727.2</i> | <i>\$10,727.2</i> | <i>\$10,727.2</i> | <i>\$207.5</i> | <i>2.0%</i> |
| <i>Higher Education</i> | <i>\$282.8</i> | <i>\$293.4</i> | <i>\$293.4</i> | <i>\$293.4</i> | <i>\$10.5</i> | <i>3.7%</i> |
| Article IV – Judiciary | \$4.0 | \$3.5 | \$3.5 | \$3.5 | (\$0.5) | (12.4%) |
| Article V – Public Safety and Criminal Justice | \$6,748.5 | \$3,694.9 | \$3,755.8 | \$3,762.7 | (\$2,985.8) | (44.2%) |
| Article VI – Natural Resources | \$3,823.6 | \$6,307.3 | \$6,307.3 | \$6,307.8 | \$2,484.2 | 65.0% |
| Article VII – Business and Economic Development | \$14,715.8 | \$15,174.2 | \$15,174.2 | \$15,174.2 | \$458.4 | 3.1% |
| Article VIII – Regulatory | \$12.6 | \$11.1 | \$11.1 | \$11.1 | (\$1.6) | (12.5%) |
| Article IX – General Provisions | \$0.0 | \$0.0 | \$0.0 | (\$2.9) | (\$2.9) | N/A |
| Article X – Legislature | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | N/A |
| Total, All Functions | \$84,075.6 | \$87,718.9 | \$86,790.2 | \$86,438.5 | \$2,362.9 | 2.8% |

NOTES:

- (1) Amounts estimated or budgeted for the 2018–19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Supplemental bill totals, less anticipated supplemental spending adjustments included in the base.
- (3) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

| FIGURE B–6 OTHER FUNDS | | | | | | |
|---|-----------------------------------|-------------------|-------------------|------------------------------------|--|-------------|
| (IN MILLIONS) | | | | | | |
| FUNCTION | ESTIMATED/BUDGETED 2018–19 (1) | HOUSE 2020–21 | SENATE 2020–21 | CONFERENCE COMMITTEE 2020–21 | COMPARISON OF CCR HB1 TO ESTIMATED/BUDGETED | |
| | | | | | \$ CHANGE | % CHANGE |
| Article I – General Government | \$1,973.7 | \$2,041.8 | \$1,305.0 | \$1,464.9 | (\$508.8) | (25.8%) |
| Article II – Health and Human Services | \$1,596.7 | \$2,201.7 | \$1,135.0 | \$1,327.3 | (\$269.4) | (16.9%) |
| Article III – Agencies of Education | \$11,145.7 | \$14,239.2 | \$13,948.7 | \$14,757.1 | \$3,611.4 | 32.4% |
| Public Education | \$8,424.4 | \$11,250.9 | \$10,961.5 | \$11,769.5 | \$3,345.2 | 39.7% |
| Higher Education | \$2,721.3 | \$2,988.3 | \$2,987.2 | \$2,987.6 | \$266.3 | 9.8% |
| Article IV – Judiciary | \$221.2 | \$193.6 | \$164.0 | \$164.0 | (\$57.2) | (25.9%) |
| Article V – Public Safety and Criminal Justice | \$265.9 | \$455.1 | \$155.7 | \$155.1 | (\$110.7) | (41.7%) |
| Article VI – Natural Resources | \$465.2 | \$588.2 | \$390.4 | \$391.8 | (\$73.4) | (15.8%) |
| Article VII – Business and Economic Development | \$20,803.3 | \$20,826.7 | \$20,812.9 | \$20,814.4 | \$11.1 | 0.1% |
| Article VIII – Regulatory | \$77.6 | \$36.6 | \$33.3 | \$33.3 | (\$44.3) | (57.1%) |
| Article IX – General Provisions | \$0.0 | \$0.0 | \$0.0 | \$56.6 | \$56.6 | N/A |
| Article X – Legislature | \$0.1 | \$0.2 | \$0.2 | \$0.2 | \$0.1 | 133.0% |
| Total, All Functions | \$36,549.4 | \$40,583.1 | \$37,945.2 | \$39,164.8 | \$2,615.4 | 7.2% |

NOTES:

- (1) Amounts estimated or budgeted for the 2018–19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Supplemental bill totals, less anticipated supplemental spending adjustments included in the base.
- (3) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B-7
GENERAL REVENUE FUNDS, GENERAL REVENUE-DEDICATED FUNDS, AND OTHER FUNDS**

| (IN MILLIONS) | | COMPARISON OF CCR HBI TO ESTIMATED/BUDGETED | | | |
|---|-----------------------------------|--|--------------------|------------------------------------|------------------------|
| FUNCTION | ESTIMATED/BUDGETED 2018-19 (1) | HOUSE 2020-21 | SENATE 2020-21 | CONFERENCE COMMITTEE 2020-21 | % CHANGE |
| Article I – General Government | \$6,239.1 | \$6,167.3 | \$5,654.5 | \$6,053.2 | (\$185.9) (3.0%) |
| Article II – Health and Human Services | \$36,879.9 | \$37,444.7 | \$35,455.4 | \$35,583.9 | (\$1,296.0) (3.5%) |
| Article III – Agencies of Education (3) | \$70,426.5 | \$80,546.5 | \$81,130.5 | \$83,505.3 | \$13,078.8 18.6% |
| Public Education (3) | \$49,973.1 | \$59,292.4 | \$59,867.8 | \$61,945.9 | \$11,972.8 24.0% |
| Higher Education | \$20,453.5 | \$21,254.1 | \$21,262.6 | \$21,559.4 | \$1,106.0 5.4% |
| Article IV – Judiciary | \$853.0 | \$951.5 | \$870.5 | \$888.8 | \$35.8 4.2% |
| Article V – Public Safety and Criminal Justice | \$11,630.0 | \$12,189.7 | \$12,243.0 | \$12,277.6 | \$647.6 5.6% |
| Article VI – Natural Resources | \$2,742.4 | \$2,807.6 | \$2,620.7 | \$2,705.3 | (\$37.1) (1.4%) |
| Article VII – Business and Economic Development | \$21,871.7 | \$22,232.1 | \$21,889.7 | \$21,882.9 | \$11.2 0.1% |
| Article VIII – Regulatory | \$659.1 | \$633.5 | \$640.3 | \$636.3 | (\$22.7) (3.4%) |
| Article IX – General Provisions (3) | \$0.0 | \$0.0 | \$0.0 | \$288.3 | N/A |
| Article X – Legislature | \$392.8 | \$392.0 | \$403.5 | \$392.1 | (\$0.8) (0.2%) |
| Total, All Functions | \$151,694.6 | \$163,364.8 | \$160,908.1 | \$164,213.7 | \$12,519.1 8.3% |
| Amount of Tax Relief | | | | | (\$4,980.0) |
| Growth Excluding Tax Relief | | | | | \$7,539.1 5.0% |

NOTES:

- (1) Amounts estimated or budgeted for the 2018-19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500.
- (2) Supplemental bill totals, less anticipated supplemental spending adjustments included in the base.
- (3) Contingent funding of \$11.5 billion for House Bill 3 has been moved from Article IX to Article III, Public Education, for the purposes of this comparison.
- (4) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

