



LEGISLATIVE BUDGET BOARD

Summary of House Committee Substitute for House Bill 1 2020–21 Biennium

HOUSE

SUBMITTED TO THE HOUSE COMMITTEE ON APPROPRIATIONS

PREPARED BY LEGISLATIVE BUDGET BOARD STAFF

Summary of House Committee Substitute for House Bill 1

2020–21 Biennium

HOUSE

**SUBMITTED TO THE HOUSE COMMITTEE ON APPROPRIATIONS
PREPARED BY LEGISLATIVE BUDGET BOARD STAFF**

CONTENTS

Introduction.....	1
Funding by Article	3
Highlights of Committee Substitute for House Bill 1	10
Biennial Comparison by Fund Source	17
Factors Affecting the State Budget	18
Trends in State Government Expenditures	20
Limits on Appropriations	22
Texas Economic Outlook	25
Economic Stabilization Fund	27
Article I – General Government.....	29
Office of the Attorney General	33
Cancer Prevention and Research Institute of Texas	35
Comptroller of Public Accounts.....	36
Fiscal Programs within the Comptroller of Public Accounts	37
Trusted Programs within the Office of the Governor	39
Department of Information Resources.....	41
State Office of Risk Management.....	43
Article II – Health and Human Services	45
Department of Family and Protective Services	48
Department of State Health Services	50
Health and Human Services Commission	52
Article III – Education	57
Texas Education Agency	62
Teacher Retirement System	64
Texas Higher Education Coordinating Board.....	66
Higher Education Funds	68
General Academic Institutions	70

Health Related Institutions.....	72
Public Community and Junior Colleges.....	74
Texas A&M University System Agencies	75
Article IV – Judiciary	77
Office of Court Administration, Texas Judicial Council	81
Article V – Public Safety and Criminal Justice	83
Texas Alcoholic Beverage Commission.....	86
Department of Criminal Justice	87
Juvenile Justice Department	89
Texas Military Department.....	91
Department of Public Safety.....	93
Article VI – Natural Resources	95
Department of Agriculture.....	99
Texas Animal Health Commission	101
Texas Commission on Environmental Quality	102
General Land Office	104
Parks and Wildlife Department.....	106
Article VII – Business and Economic Development.....	109
Department of Motor Vehicles	112
Department of Transportation.....	114
Texas Workforce Commission	116
Article VIII – Regulatory	119
Texas Department of Licensing and Regulation.....	123
Appendix A – Reader’s Guide to General Appropriations Bills	125
Appendix B – General Appropriations Bill Comparisons	129

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; and a reconciliation of the base funding that explains how the previous biennium's appropriations have been adjusted during the 2018–19 biennium.

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.

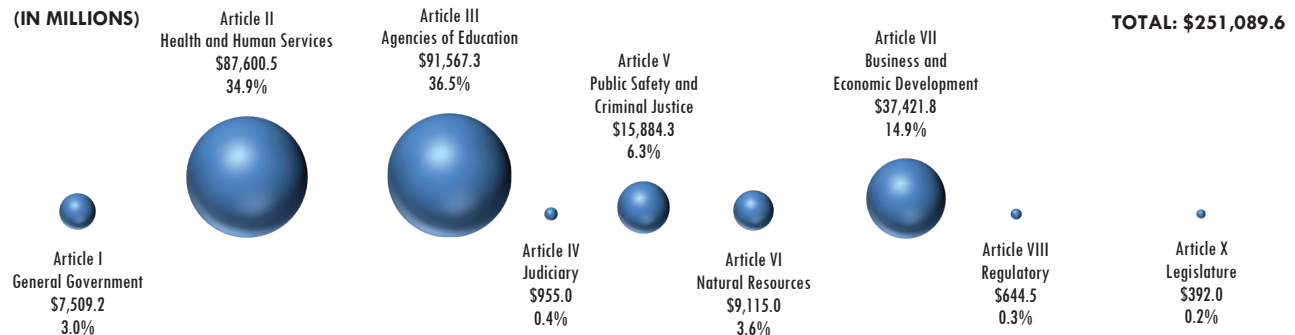
Following the introduction chapter are article-specific chapters. Each chapter provides an overview of the total article appropriations by agency or institution, including estimated and budgeted expenditures for the 2018–19 biennium, recommended appropriation levels in the 2020–21 General Appropriations Bill, full-time-equivalent positions for the article,

and other significant fiscal issues. Some chapters will also include additional detail at the agency level. Agencies are included in the summary if they meet certain criteria: (1) the agency is one of the largest 25 budgets in the state; (2) the agency is subject to the Strategic Fiscal Review as initiated by legislative leadership during the Eighty-fifth Legislature, 2017, interim; or (3) the agency program or function is of significant policy or fiscal import.

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 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

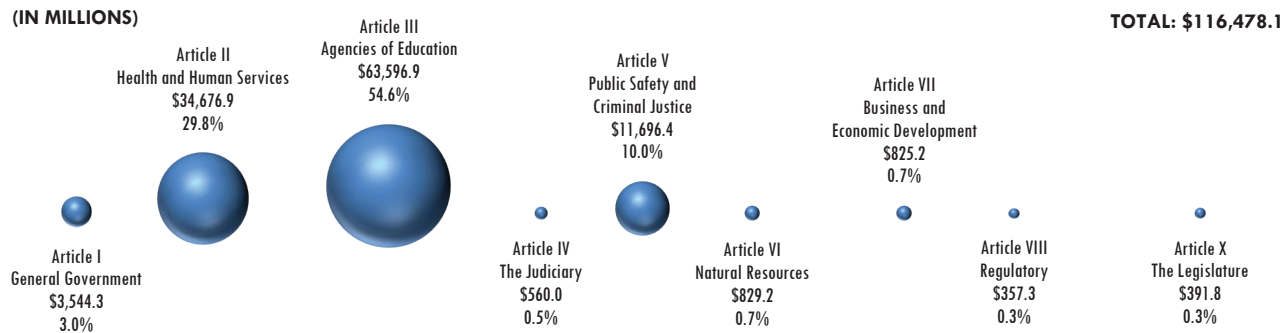
(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$7,503.3	\$7,509.2	\$5.9	0.1%
Article II – Health and Human Services	\$83,584.2	\$87,600.5	\$4,016.3	4.8%
Article III – Agencies of Education	\$81,229.0	\$91,567.3	\$10,338.3	12.7%
<i>Public Education</i>	\$60,492.7	\$70,019.9	\$9,527.1	15.7%
<i>Higher Education</i>	\$20,736.3	\$21,547.4	\$811.1	3.9%
Article IV – Judiciary	\$857.1	\$955.0	\$97.9	11.4%
Article V – Public Safety and Criminal Justice	\$18,378.5	\$15,884.3	(\$2,494.2)	(13.6%)
Article VI – Natural Resources	\$6,566.0	\$9,115.0	\$2,549.0	38.8%
Article VII – Business and Economic Development	\$36,587.5	\$37,421.8	\$834.2	2.3%
Article VIII – Regulatory	\$671.7	\$644.5	(\$27.2)	(4.0%)
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$392.8	\$392.0	(\$0.8)	(0.2%)
Total, All Articles	\$235,770.2	\$251,089.6	\$15,319.5	6.5%

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 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	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$3,406.9	\$3,544.3	\$137.4	4.0%
Article II – Health and Human Services	\$34,716.3	\$34,676.9	(\$39.4)	(0.1%)
Article III – Agencies of Education	\$56,458.4	\$63,596.9	\$7,138.6	12.6%
<i>Public Education</i>	\$41,548.7	\$48,041.8	\$6,493.1	15.6%
<i>Higher Education</i>	\$14,909.7	\$15,555.2	\$645.5	4.3%
Article IV – Judiciary	\$490.8	\$560.0	\$69.2	14.1%
Article V – Public Safety and Criminal Justice	\$11,322.1	\$11,696.4	\$374.2	3.3%
Article VI – Natural Resources	\$910.6	\$829.2	(\$81.4)	(8.9%)
Article VII – Business and Economic Development	\$496.5	\$825.2	\$328.7	66.2%
Article VIII – Regulatory	\$345.3	\$357.3	\$12.0	3.5%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$392.7	\$391.8	(\$0.9)	(0.2%)
Total, All Articles	\$108,539.7	\$116,478.1	\$7,938.4	7.3%

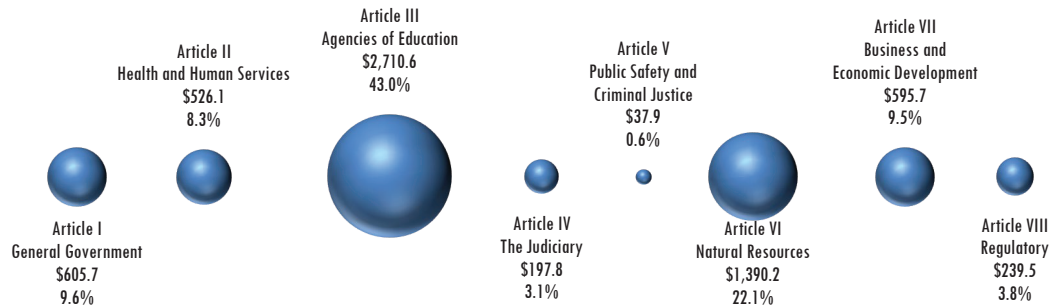
NOTES:

- (1) May include anticipated supplemental spending adjustments.
- (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 5
FUNDING BY ARTICLE, GENERAL REVENUE–DEDICATED FUNDS

(IN MILLIONS)

TOTAL: \$6,303.5

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)

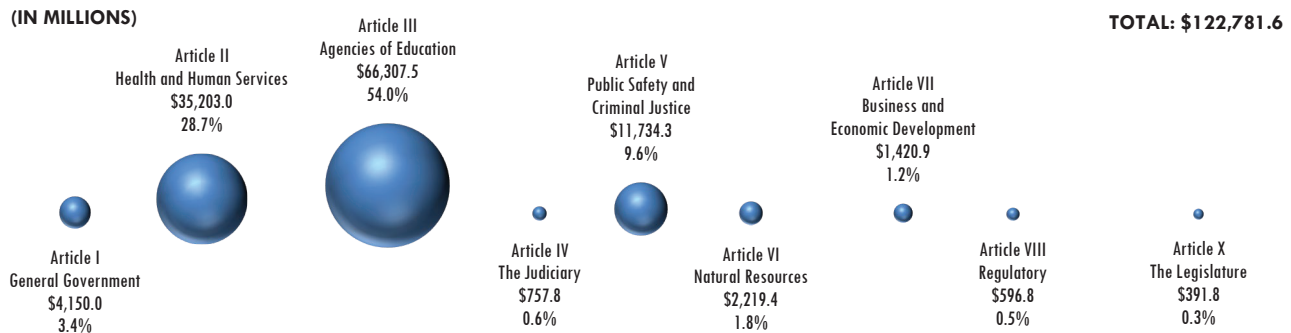
ALL FUNCTIONS	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$858.5	\$605.7	(\$252.7)	(29.4%)
Article II – Health and Human Services	\$566.9	\$526.1	(\$40.8)	(7.2%)
Article III – Agencies of Education	\$2,822.5	\$2,710.6	(\$111.9)	(4.0%)
<i>Public Education</i>	\$0.0	\$0.0	\$0.0	N/A
<i>Higher Education</i>	\$2,822.5	\$2,710.6	(\$111.9)	(4.0%)
Article IV – Judiciary	\$141.1	\$197.8	\$56.7	40.2%
Article V – Public Safety and Criminal Justice	\$42.0	\$37.9	(\$4.1)	(9.8%)
Article VI – Natural Resources	\$1,366.6	\$1,390.2	\$23.6	1.7%
Article VII – Business and Economic Development	\$571.9	\$595.7	\$23.8	4.2%
Article VIII – Regulatory	\$236.1	\$239.5	\$3.4	1.5%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A
Total, All Articles	\$6,605.5	\$6,303.5	(\$301.9)	(4.6%)

NOTES:

- (1) May include anticipated supplemental spending adjustments.
- (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	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$4,265.4	\$4,150.0	(\$115.3)	(2.7%)
Article II – Health and Human Services	\$35,283.2	\$35,203.0	(\$80.2)	(0.2%)
Article III – Agencies of Education	\$59,280.9	\$66,307.5	\$7,026.7	11.9%
<i>Public Education</i>	\$41,548.7	\$48,041.8	\$6,493.1	15.6%
<i>Higher Education</i>	\$17,732.2	\$18,265.8	\$533.6	3.0%
Article IV – Judiciary	\$631.8	\$757.8	\$126.0	19.9%
Article V – Public Safety and Criminal Justice	\$11,364.1	\$11,734.3	\$370.1	3.3%
Article VI – Natural Resources	\$2,277.2	\$2,219.4	(\$57.8)	(2.5%)
Article VII – Business and Economic Development	\$1,068.4	\$1,420.9	\$352.5	33.0%
Article VIII – Regulatory	\$581.4	\$596.8	\$15.4	2.7%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$392.7	\$391.8	(\$0.9)	(0.2%)
Total, All Articles	\$115,145.1	\$122,781.6	\$7,636.5	6.6%

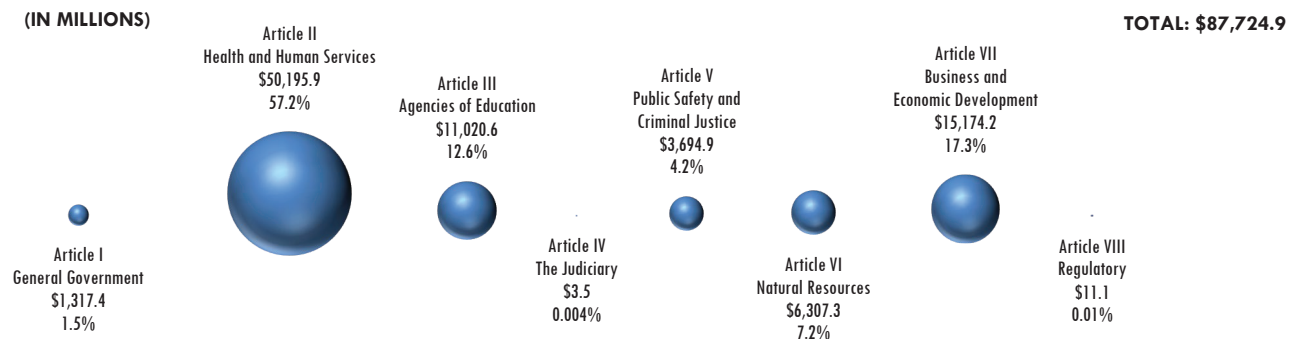
NOTES:

(1) May include anticipated supplemental spending adjustments.

(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 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	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$1,264.2	\$1,317.4	\$53.2	4.2%
Article II – Health and Human Services	\$46,704.3	\$50,195.9	\$3,491.6	7.5%
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	\$3,694.9	(\$3,053.6)	(45.2%)
Article VI – Natural Resources	\$3,823.6	\$6,307.3	\$2,483.8	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	\$0.0	\$0.0	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A
Total, All Articles	\$84,075.6	\$87,724.9	\$3,649.3	4.3%

NOTES:

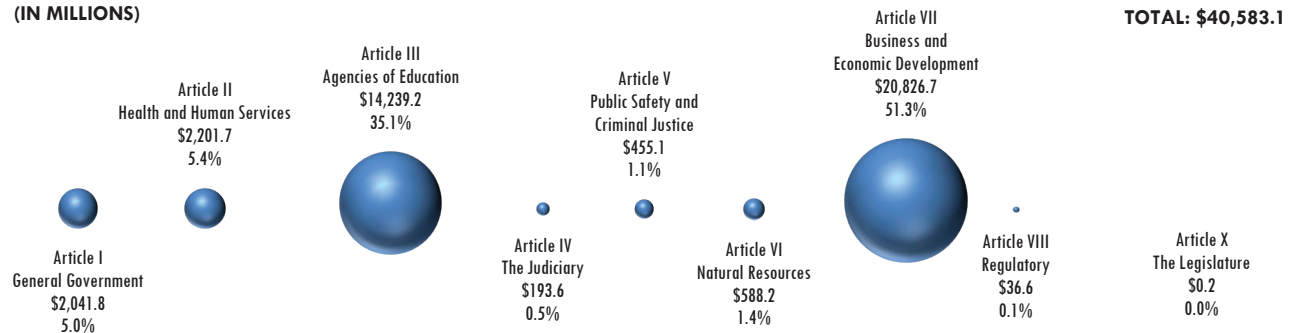
(1) May include anticipated supplemental spending adjustments.

(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	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$1,973.7	\$2,041.8	\$68.0	3.4%
Article II – Health and Human Services	\$1,596.7	\$2,201.7	\$605.0	37.9%
Article III – Agencies of Education	\$11,145.7	\$14,239.2	\$3,093.5	27.8%
<i>Public Education</i>	\$8,424.4	\$11,250.9	\$2,826.5	33.6%
<i>Higher Education</i>	\$2,721.3	\$2,988.3	\$267.0	9.8%
Article IV – Judiciary	\$221.2	\$193.6	(\$27.6)	(12.5%)
Article V – Public Safety and Criminal Justice	\$265.9	\$455.1	\$189.3	71.2%
Article VI – Natural Resources	\$465.2	\$588.2	\$123.0	26.4%
Article VII – Business and Economic Development	\$20,803.3	\$20,826.7	\$23.3	0.1%
Article VIII – Regulatory	\$77.6	\$36.6	(\$41.0)	(52.8%)
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$0.1	\$0.2	\$0.1	133.0%
Total, All Articles	\$36,549.4	\$40,583.1	\$4,033.7	11.0%

NOTES:

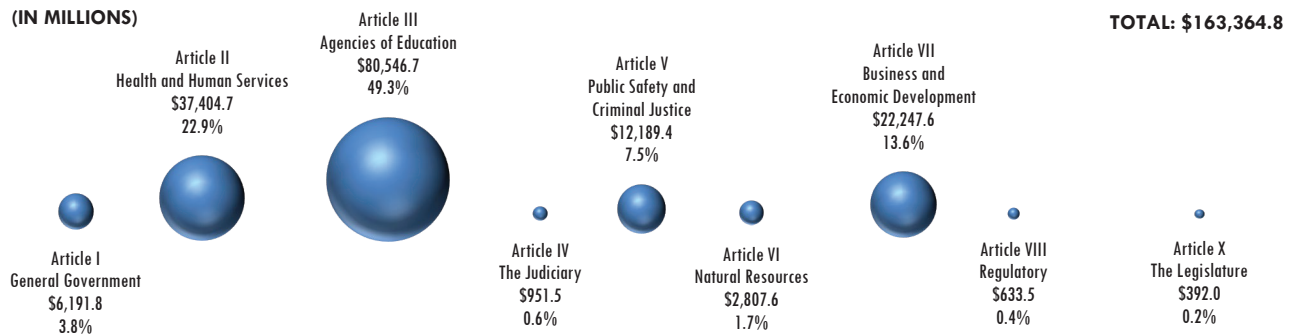
(1) May include anticipated supplemental spending adjustments.

(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 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	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$6,239.1	\$6,191.8	(\$47.3)	(0.8%)
Article II – Health and Human Services	\$36,879.9	\$37,404.7	\$524.8	1.4%
Article III – Agencies of Education	\$70,426.5	\$80,546.7	\$10,120.2	14.4%
<i>Public Education</i>	\$49,973.1	\$59,292.7	\$9,319.6	18.6%
<i>Higher Education</i>	\$20,453.5	\$21,254.1	\$800.6	3.9%
Article IV – Judiciary	\$853.0	\$951.5	\$98.4	11.5%
Article V – Public Safety and Criminal Justice	\$11,630.0	\$12,189.4	\$559.4	4.8%
Article VI – Natural Resources	\$2,742.4	\$2,807.6	\$65.2	2.4%
Article VII – Business and Economic Development	\$21,871.7	\$22,247.6	\$375.8	1.7%
Article VIII – Regulatory	\$659.1	\$633.5	(\$25.6)	(3.9%)
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$392.8	\$392.0	(\$0.8)	(0.2%)
Total, All Articles	\$151,694.6	\$163,364.8	\$11,670.2	7.7%

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.

HIGHLIGHTS OF COMMITTEE SUBSTITUTE FOR HOUSE BILL 1

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

FOUNDATION SCHOOL PROGRAM

- Funding of \$52.6 billion in All Funds is provided for state aid to school districts and charter schools through the Foundation School Program (FSP) for the 2020–21 biennium. General Revenue Funds appropriations for the FSP total \$41.3 billion, which represents an increase of \$7.0 billion from the 2018–19 biennium. In addition, the House version of the supplemental appropriations bill includes \$636.0 million from the Economic Stabilization Fund for the 2020–21 biennium and \$271.3 million for the 2018–19 biennium for FSP costs attributable to Hurricane Harvey.
- General Revenue Funds provided for the FSP represent an increase of \$9.0 billion from what is estimated to be required to fund the current law FSP entitlement, contingent on enactment of House Bill 3, or similar legislation supporting school districts and charter schools by increasing the state share of the FSP, enhancing district entitlement, reducing recapture, and providing local property tax relief, while maintaining an equitable system of school finance.
- The All Funds amount represents a \$9.2 billion, or 21.3 percent, increase from the 2018–19 biennium, primarily attributable to the additional \$9.0 billion in General Revenue Funds above statutorily required amounts. The remaining \$0.2 billion All Funds increase is attributable to a projected increase of \$2.4 billion in recapture revenue and a projected \$171.7 million increase from the Property Tax Relief Fund, partially offset by \$634.2 million in optional 2018–19 biennial Hurricane Harvey costs provided in the House version of the supplemental appropriations bill, and a decrease of \$1.6 billion in General Revenue Funds required to fund current law entitlement for the 2020–21 biennium.
- Funding for current law FSP entitlement includes an estimated \$2.4 billion for student enrollment growth and \$2.2 billion in additional state aid greater than the 2018–19 biennial funding level for the Tier 2 enrichment funding guaranteed yield associated with the Austin Independent School District.

MEDICAID

- Funding for the 2020–21 biennium includes \$68.6 billion in All Funds, including \$25.6 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 \$3.0 billion in All Funds and a decrease of \$1.1 billion in General Revenue Funds from 2018–19 biennial levels.
- Included in these amounts is \$63.7 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 \$2.7 billion All Funds increase in Medicaid client services, a \$0.1 billion All Funds increase in other programs supported by Medicaid funding and a \$0.2 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 is also provided to support community-based long-term-care, including 2,476 additional Home and Community-based Services (HCS) waiver slots for Promoting Independence, beginning the transition of day habilitation services to individualized skills and socialization to meet federal requirements, attendant wage increases, additional medical and dental services for certain individuals enrolled in the HCS waiver, increases in the cost of the Program of All-inclusive Care for the Elderly (PACE), and rate increases for consumer-directed services and the HCS and Texas Home Living waivers. Rate increases are also provided for inpatient services provided by rural hospitals and intermediate care facilities for individuals with intellectual disabilities. 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 \$1.4 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 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.

BEHAVIORAL HEALTH

- Funding includes \$5.0 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 24 agencies across six articles, and includes the following areas: funding for inpatient client services at state hospitals and community hospitals; construction and deferred maintenance projects at state 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.
- Medicaid expenditures for behavioral health services, when including projected cost growth that is not funded, are estimated to total \$3.4 billion in All Funds for the 2020–21 biennium. CHIP expenditures, when including projected cost growth that is not funded, are estimated to total \$111.7 million in All Funds. Total behavioral health-related funding, including estimated Medicaid and CHIP expenditures, is estimated to be \$8.6 billion in All Funds for the biennium.

CHILD PROTECTIVE SERVICES

- Funding of \$3.9 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 Services. This amount is an increase of \$311.8 million in All Funds and \$197.2 million in General Revenue Funds from the 2018–19 biennial base.
- CPS funding includes a total of \$2.0 billion in All Funds and \$936.9 million 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 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 and into stage 2 in Region 3B.

- The House version of the supplemental bill includes funding to complete fiscal year 2019 expenditures.

SCHOOL SAFETY

- Including amounts in the House version of the supplemental appropriations bill, funding for school safety programs includes an additional \$120.3 million in All Funds, including \$64.9 million in General Revenue Funds, \$54.5 million in Other Funds from the Economic Stabilization Fund, 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 – \$11.8 million to expand Children’s Community Mental Health;
 - public education – \$54.5 million for the Safe and Healthy Schools Initiative, and an increase of \$10.0 million for Communities in Schools at the Texas Education Agency; \$1.1 million for campus safety staff and infrastructure at the Texas School for the Deaf; and \$0.8 million for campus safety infrastructure at the Texas School for the Blind and Visually Impaired. In addition, the House supplemental appropriations bill provides \$10.9 million for school district reimbursement of post-disaster expenditures; and
 - higher education – \$20.0 million for Texas Tech University Health Sciences Center’s Telemedicine Wellness Intervention Triage and Referral Program and, at Texas State University, \$7.2 million for the School Safety Center and \$4.0 for Advanced Law Enforcement Rapid Response Training.

HIGHER EDUCATION FORMULA FUNDING

- Higher education formulas are supported by \$7.7 billion in General Revenue Funds and \$1.5 billion in General Revenue–Dedicated Funds. Included in this amount are increases of \$445.9 million in General Revenue Funds and a decrease of \$2.4 million in General Revenue–Dedicated Funds, which primarily is statutory tuition, from the 2018–19 biennium.
- For most of the higher education formulas, the 2020–21 biennial rates are increased from 2018–19 biennial levels. The small institution supplement headcount threshold for the General Academic Institutions, the Lamar State Colleges, and the Texas State Technical Colleges was increased from 10,000 students to 20,000 students.

TEACHER RETIREMENT AND HEALTH BENEFITS

- The House version of the supplemental appropriations bill includes a total of \$1.3 billion in All Funds above current law requirements for 2020–21 biennial Teacher Retirement System (TRS) pension items. Amounts include \$684.0 million in General Revenue Funds to increase the state contribution to achieve actuarial soundness, and \$658.2 million from the Economic Stabilization Fund 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 Other Funds from the Economic Stabilization Fund 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 \$7.1 billion in All Funds, including \$6.8 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 increases by \$536.4 million for the 2020–21 biennium and includes the following amounts:
 - \$199.1 million for Correctional Managed Health Care including \$160.0 million to fully fund 2018–19 expenditure levels, \$12.9 million for an information technology upgrade, and \$9.0 million for provider staff salary increases;
 - \$168.0 million for salary increases for correctional officers and parole officers;
 - \$100.1 million for deferred maintenance;
 - \$13.0 million to expand sheltered housing beds at two TDCJ prison units; and
 - \$8.3 million to expand services in rural areas for Texas Correctional Office on Offenders with Medical or Mental Impairments.

BORDER SECURITY

- Funding of \$795.7 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, \$684.7 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 while eliminating 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, and 250 new troopers and associated support staff, and several other border security-related initiatives. Funding also includes \$8.6 million from the Economic Stabilization Fund for a new Tactical Training Facility in Cameron County and \$0.5 million in General Revenue for the Texas Transnational Intelligence Center.
- Border security funding also includes \$55.8 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 the transfer of the driver license program, including \$140.0 million in General Revenue Funds and 2,236.8 FTE positions, from the Department of Public Safety to the Department of Motor Vehicles for fiscal year 2021, contingent upon the passage of legislation. Recommendations also include an additional \$200.0 million in General Revenue Funds and 962.0 FTE positions to increase staffing and improve service delivery.

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR

- Funding for the Trusteed Programs within the Office of the Governor totals \$1.4 billion in All Funds for the 2020–21 biennium, a decrease of \$111.3 million, or 7.5 percent, from the 2018–19 biennium.
- Funding of \$100.0 million from the Economic Stabilization Fund 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 \$425.0 million in All Funds for the 2020–21 biennium, including the following amounts:

- \$50.0 million in Economic Stabilization Funds for Defense Economic Adjustment Assistance grant program funding to provide assistance to military defense impacted communities;
- \$111.9 million in estimated unexpended balances remaining at the end of fiscal year 2019 in the Texas Enterprise Fund for incentive grants, a decrease of \$45.3 million in General Revenue–Dedicated Funds;
- \$26.2 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 \$27.1 million in General Revenue–Dedicated Funds;
- \$110.2 million in General Revenue–Dedicated Funds from Hotel Occupancy Tax deposits for tourism promotion. This amount is the same amount of \$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 includes an additional \$2.3 billion (\$1.2 billion from the Economic Stabilization Fund, \$503.1 million in Other Funds, \$500.2 million in Revenue Bond proceeds, and \$42.4 million in General Revenue Funds and General Revenue–Dedicated Funds) 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.
- Funding includes: \$1.4 billion in All Funds for new construction; \$718.9 million in All Funds for deferred maintenance needs; \$172.2 million in All Funds for health and safety projects; and \$37.4 million in All Funds for general maintenance projects. The following are among the major funded projects:
 - \$500.2 million in Revenue Bond proceeds for new construction projects and \$251.0 million from the Economic Stabilization Fund for health and safety, deferred maintenance, and facility rehabilitation projects at the Texas Facilities Commission;
 - \$658.6 million from the Economic Stabilization Fund for preplanning, planning, and construction of new state hospital facilities at the Health and Human Services Commission;
 - \$218.0 million from the State Highway Fund for repair and rehabilitation, facility construction, and land acquisition at the Texas Department of Transportation;
 - \$108.1 million from the Economic Stabilization Fund for planning, repair, and rehabilitation of facilities at the Texas Parks and Wildlife Department; and
 - \$100.1 million from the Economic Stabilization Fund for deferred maintenance and health and safety projects at the Texas Department of Criminal Justice.

INFORMATION TECHNOLOGY

- Funding for the Centralized Accounting and Payroll/Personnel System (CAPPS) totals \$190.2 million. Included in this amount is \$96.8 million for the Comptroller of Public Accounts (CPA) for ongoing statewide CAPPS operations and agency transitions to the system. In addition, funding of \$39.7 million (including \$28.4 million in Economic Stabilization Funds) is provided to 13 agencies for deployment efforts, Health and Human Services Commission for their CAPPS hub system upgrade, and to the Alcoholic Beverage Commission and Department of Public Safety for ongoing CAPPS-related support.

- Funding for Cybersecurity projects and initiatives totals \$116.1 million to decrease the risk of threats to the confidentiality, integrity, and availability of existing data and information systems.
- Funding for Legacy Modernization projects totals \$778.9 million to replace systems with obsolete or inefficient hardware or software technology.
- Funding for other information technology (IT) projects totals \$611.4 million for various IT components, including: updates to existing systems; development projects for process improvement projects, such as transitions to paperless processes, procurement of new systems where none currently exist, computers, or software and hardware updates; voice over Internet protocol phone systems; network upgrades; and general modifications to IT infrastructure.

JUDICIAL SALARY INCREASE

- Funding of \$31.3 million provides for a 10.0 percent increase for judges and those statutorily linked to state district judge pay contingent on the enactment of House Bill 2384, or similar legislation relating to judicial compensation by the Eighty-sixth Legislature, 2019. If House Bill 2384, or similar legislation, is not enacted, all judicial salaries will continue to be funded at the same level included in the Eighty-fifth Legislature, General Appropriations Act, 2018–19 Biennium. 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 \$943.0 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 \$22.9 million in All Funds, including \$14.0 million in General Revenue Funds and General Revenue–Dedicated Funds, for state employees' retirement benefits, due to assuming 0.5 percent annual payroll growth. Funding provides for a 9.5 percent state contribution rate for each fiscal year of the 2020–21 biennium. Recommendations also increase the additional retirement contribution from all general state agencies from 0.5 percent to 1.0 percent of the total base wages and salaries for each eligible employee.
- The House version of the supplemental bill provides an additional \$148.7 million in General Revenue Funds for the ERS retirement program. This represents an additional 1.5 percent state contribution which increases the state contribution rate to 11.0 percent. With the additions in the supplemental bill, the total combined contribution rate is 12.0 percent.
- Funding of \$4.0 billion in All Funds, including \$2.8 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 \$176.6 million in All Funds, including \$116.6 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 \$1.4 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 \$47.6 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 218,521.2 and 219,047.8 full-time-equivalent (FTE) positions for fiscal years 2020 and 2021, respectively. The number of FTE positions for fiscal year 2021 is an increase of 2,375.9 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 \$60.9 million, or 2.0 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

- Appropriations of \$2,326.6 million from the Economic Stabilization Fund are included for the 2020–21 biennium. In addition, the House Supplemental Appropriations Bill includes appropriations of \$4,283.5 million from the Economic Stabilization Fund. The resulting cash balance of the fund plus the total asset value of investments is estimated to be \$8.4 billion at the end of fiscal year 2021.

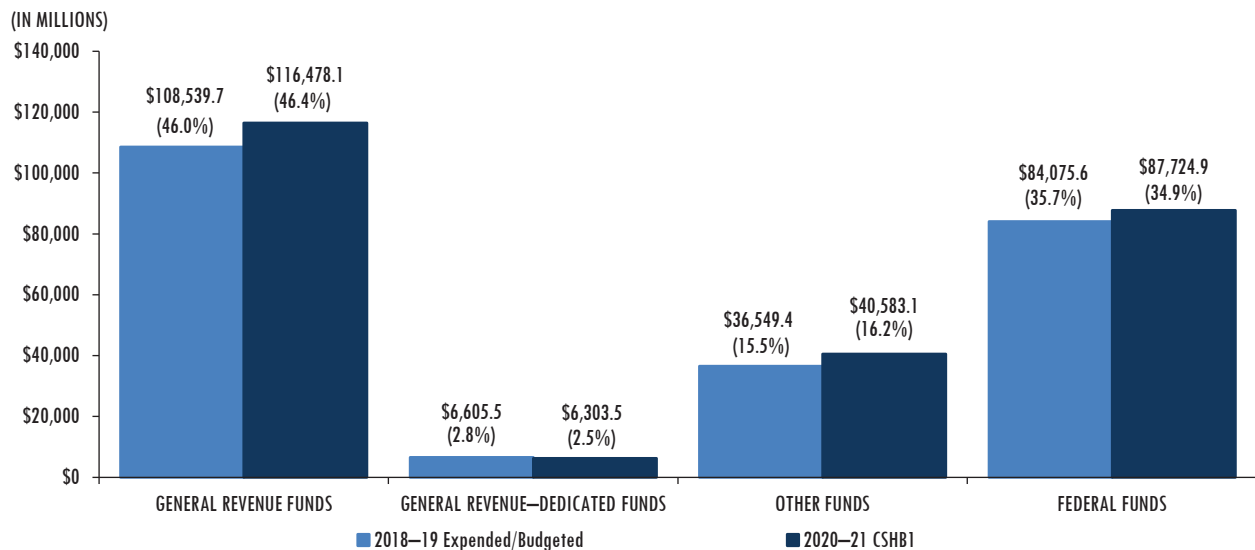
STRATEGIC FISCAL REVIEW

- 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. Agencies subject to review are noted as such in this summary. 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 is 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. CSHB1 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 COMMITTEE SUBSTITUTE 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.

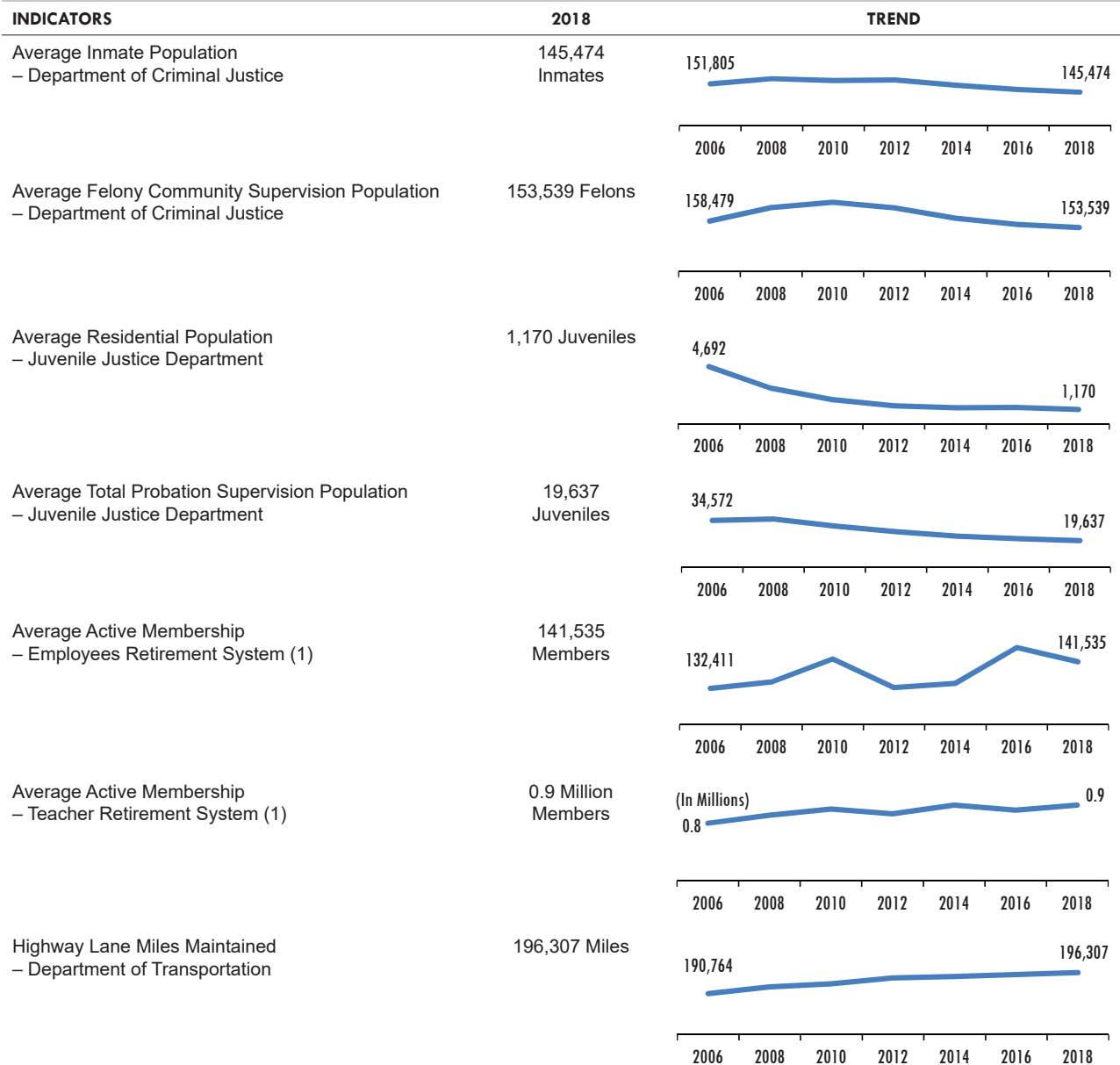
Population change is one element that helps explain the growth in the budget. Cost-related factors can have an equal or greater effect on growth. For example, medical inflation impacts not only Medicaid and CHIP, but also inmate health care costs and state employee and teacher health care costs. Statutory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



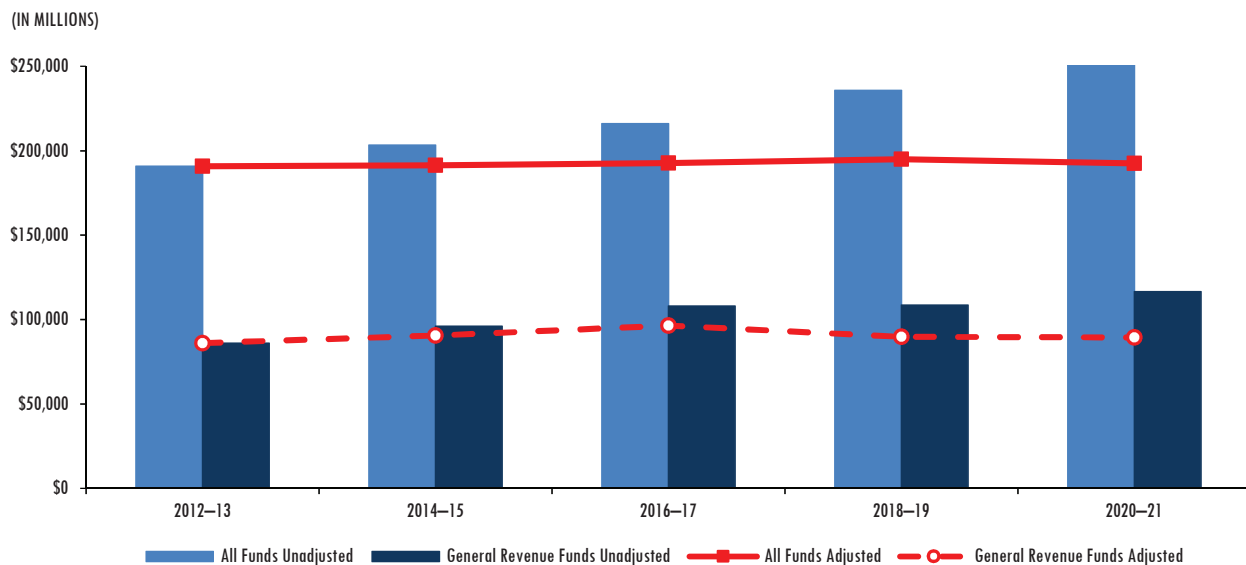
NOTE: (1) Amounts for 2018 are estimated.
 SOURCE: Legislative Budget Board.

TRENDS IN STATE GOVERNMENT EXPENDITURES

Figure 17 shows biennial All Funds and General Revenue Funds expenditures/appropriations since the 2012–13 biennium. The figures also adjust current and historical expenditure/appropriation totals into 2012–13 biennial dollars based on compounded population and inflation growth. 2018–19 totals exclude appropriations in the House Supplemental Appropriations Bill. All Funds expenditures increased by 31.6 percent from the 2012–13 to 2020–21 biennia, and increased 0.9 percent after adjusting for population and inflation. General Revenue Funds appropriations increased by 35.4 percent during the same period and increased by 3.8 percent when adjusted.

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

BIENNIUM	ALL FUNDS				GENERAL REVENUE FUNDS			
	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	\$251,090	6.5%	\$192,506	(1.3%)	\$116,478	7.3%	\$89,302	(0.5%)



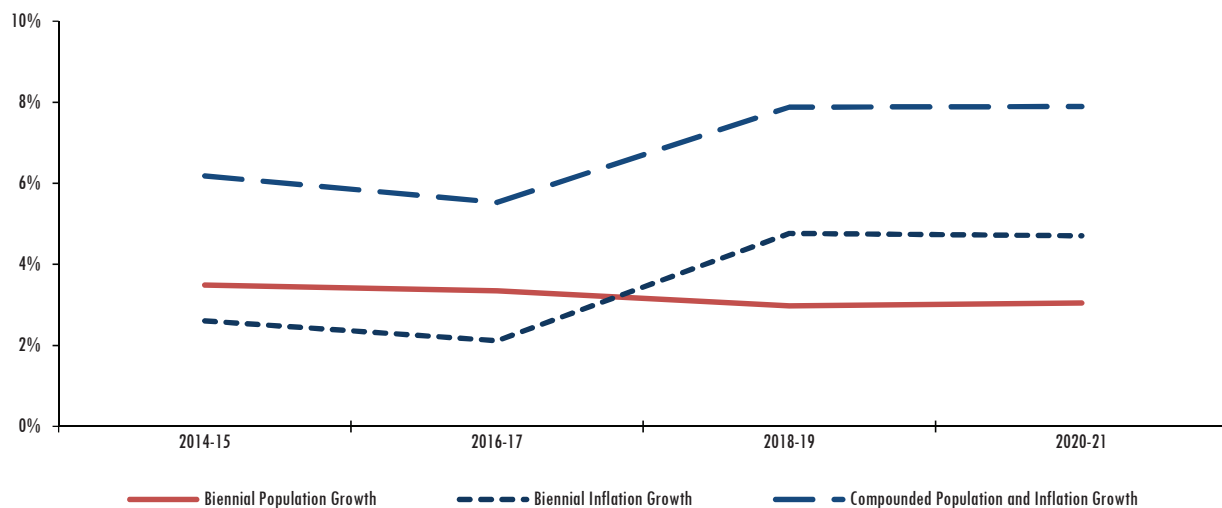
SOURCE: Legislative Budget Board.

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 in this table is based on data in the Comptroller of Public Accounts' Fall 2018 State Economic Forecast as published in the *2019 Biennial Revenue Estimate* and shown in **Figure 18**, 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 House version of 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 is commonly 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 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 not dedicated by the Texas Constitution from growing faster than the state’s economy. The spending limit does not apply to appropriations funded with non-tax revenues or appropriations funded with tax revenues if the constitution requires the tax revenue to be spent for a specific purpose.

Funding from General Revenue Funds in the Committee Substitute for House Bill 1 and the House Supplemental Appropriations Bill total \$119.2 billion. This amount is \$0.5 billion less than the pay-as-you-go limit, based on the *2019 Biennial Revenue Estimate* (BRE) from the Comptroller of Public Accounts (CPA) (**Figure 19**) and certification cost adjustments by the CPA. General Revenue Funds are \$2.3 billion less than the General Revenue Funds capacity under the spending limit. Because General Revenue Funds spending authority pursuant to the pay-as-you-go limit is the lower of the two limits, the pay-as-you-go limit is the controlling limit.

FIGURE 19 REMAINING GENERAL REVENUE FUNDS SPENDING AUTHORITY, 2020–21 BIENNIUM	
(IN BILLIONS)	AMOUNT
Pay-as-you-go Limit	\$0.5
Spending Limit	\$2.3
NOTE: Analysis includes appropriations in the House version of the supplemental appropriations bill and cost adjustments identified by the Comptroller of Public Accounts as part of the pay-as-you-go limit certification process.	
SOURCE: Legislative Budget Board.	

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 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 BRE. 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 20**). Legislative actions increasing or decreasing revenue collections will change the total amount of revenue available.

FIGURE 20
COMPONENTS OF THE PAY-AS-YOU-GO LIMIT, 2020–21 BIENNIUM

(IN MILLIONS)

TOTAL=\$104,870.9



NOTE: General Revenue Fund portion.

SOURCE: Legislative Budget Board.

The \$119.1 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.

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.

The 2020–21 biennial spending limit equals total 2018–19 biennial appropriations funded with tax revenues not dedicated by the constitution of \$95.4 billion, grown by the adopted growth rate of 9.89 percent. The 2020–21 biennial spending limit is estimated to be \$104.9 billion after adjusting for revenue estimates in the CPA's *2019 Biennial Revenue Estimate* and updating the 2018–19 biennial base to include appropriations in the House Supplemental Appropriations Bill. The 2020–21 biennial appropriations subject to the spending limit total \$103.1 billion, \$1.8 billion less than the spending limit (**Figure 21**).

FIGURE 21
SPENDING LIMIT COMPARED TO THE COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 AND THE HOUSE SUPPLEMENTAL APPROPRIATIONS BILL, 2020–21 BIENNIUM

(IN MILLIONS)

AMOUNT

Spending Limit	\$104,884.8
Appropriations Subject to the Spending Limit	(\$103,128.3)
Total Below the Spending Limit:	\$1,756.5

SOURCE: Legislative Budget Board.

Because revenue deposits to the General Revenue Fund also include revenue not subject to the spending limit, the maximum 2020–21 biennial General Revenue Funds appropriations associated with the \$104.9 billion limit is \$119.6 billion, leaving \$2.3 billion in remaining General Revenue Funds spending capacity below the spending limit (**Figure 22**).

FIGURE 22
GENERAL REVENUE FUNDS PURSUANT TO THE SPENDING LIMIT COMPARED TO THE COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 AND THE HOUSE SUPPLEMENTAL APPROPRIATIONS BILL, 2020–21 BIENNIUM

(IN MILLIONS)	AMOUNT
Maximum General Revenue Funds appropriations pursuant to the Spending Limit	\$119,574.7
CSHB1 General Revenue Funds Appropriations	(\$117,310.8)
Total Below the Maximum General Revenue Fund Appropriations:	\$2,263.9

SOURCE: Legislative Budget Board.

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 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 Texas Facilities Commission and Health and Human Services, 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 in any biennium.

The 2020–21 biennial budget defined in the Texas Human Resources Code, Section 31.053, is \$253.2 billion. Therefore, the welfare spending limit is \$2.5 billion. The biennial amount appropriated in the LBB recommendations 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 \$100.6 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 23 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 23
ECONOMIC-BASED INDICATORS, FISCAL YEARS 2009 TO 2021 (1)

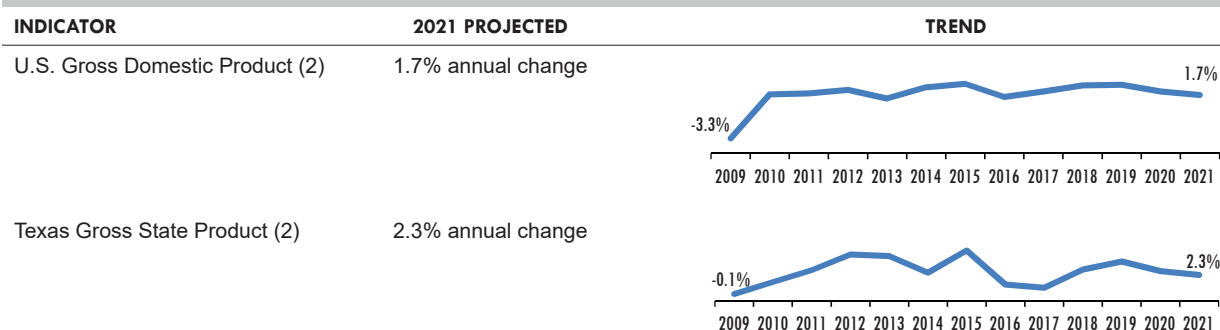


FIGURE 23 (CONTINUED)
ECONOMIC-BASED INDICATORS, FISCAL YEARS 2009 TO 2021 (1)



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.

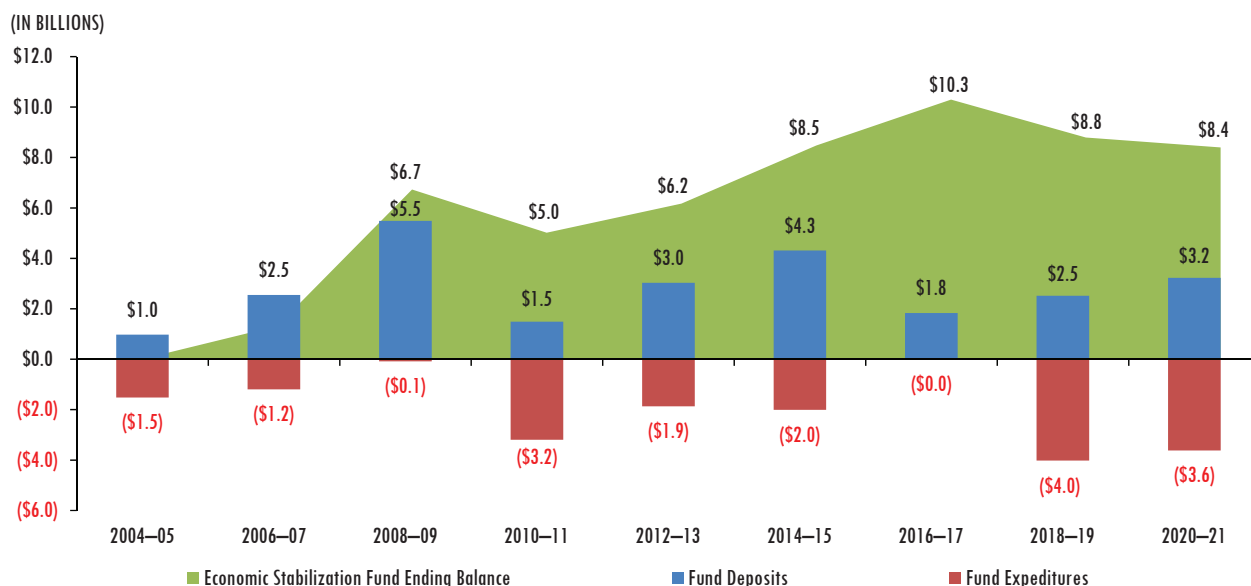
ECONOMIC STABILIZATION FUND

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 \$15.4 billion. The 2020–21 biennial recommendations contain \$2,326.6 million of appropriations from the fund. In addition, the House Supplemental Appropriations Bill includes appropriations of \$4,283.4 million from the fund, which, along with a decrease of interest and investment income, will lower the 2020–21 projected ending balance to \$8.4 billion.

Figure 24 shows the history of ESF deposits, expenditures, and balances from the 2004–05 to 2020–21 biennia.

FIGURE 24
ECONOMIC STABILIZATION FUND BIENNIAL DEPOSITS, EXPENDITURES, INVESTMENTS, AND FUND BALANCE
2004–05 TO 2020–21 BIENNIA



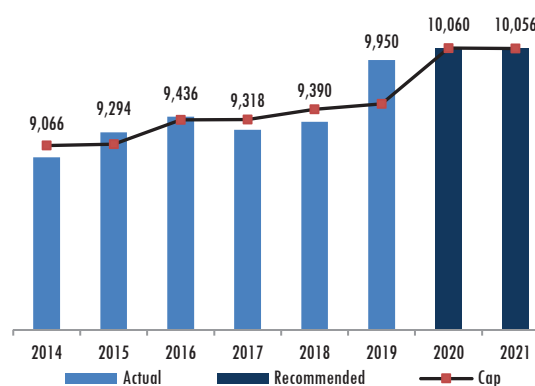
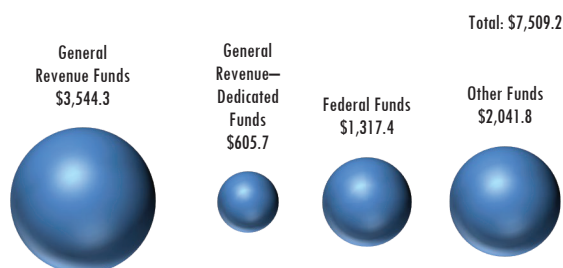
NOTE: Amounts for fiscal years 2019 to 2021 are projections based on the Comptroller of Public Accounts' 2019 Biennial Revenue Estimate and adjusted for Economic Stabilization Fund appropriations made in House Bill 1 and the House Supplemental Appropriations Bill.

SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

ARTICLE I – GENERAL GOVERNMENT

FIGURE 25
ARTICLE I – GENERAL GOVERNMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$3,406.9	\$3,544.3	\$137.4	4.0%
General Revenue–Dedicated Funds	\$858.5	\$605.7	(\$252.7)	(29.4%)
Federal Funds	\$1,264.2	\$1,317.4	\$53.2	4.2%
Other Funds	\$1,973.7	\$2,041.8	\$68.0	3.4%
Total, All Methods of Finance	\$7,503.3	\$7,509.2	\$5.9	0.1%



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.

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

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE I

All Funds for the General Government agencies total \$7.5 billion for the 2020–21 biennium, a \$5.9 billion, or 0.1 percent, increase from the 2018–19 biennium. General Revenue Funds total \$3.5 billion, an increase of \$137.4 million, or 4.0 percent.

HIGHLIGHTS

- Funding for the Cancer Prevention and Research Institute of Texas (CPRIT) includes an increase of \$4.9 million in All Funds from the 2018–19 biennium. This increase is due to the transfer of bond proceeds to the Department of State Health Services for the Cancer Registry in 2018–19 and includes \$436.0 million in remaining available bond proceeds to CPRIT. Funding also includes \$164.0 million in Other Funds from the Economic Stabilization Fund to bring the agency up to its historical appropriation of \$600.0 million per biennium.
- 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 \$30.9 million. The increase is related primarily to agency estimates for certain statutorily required disbursements and changes to funding levels to various programs. The House version of the supplemental bill provides an estimated \$211.0 million in Economic Stabilization Funds 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 Facilities Commission represents an All Funds net decrease of \$146.1 million, mostly due to the removal of onetime funding for the maintenance and construction of state facilities used during the 2018–19 biennium. This removal of onetime funding is partially offset by new deferred maintenance and construction projects authorized for the 2020–21 biennium.
- Funding for the Trusteed Programs within the Office of the Governor includes a net decrease of \$111.3 million in All Funds from the 2018–19 biennium. Funding includes \$50.0 million in Economic Stabilization Funds to provide funding to the Defense Economics Adjustment Assistance Grant program to provide assistance to military defense impacted communities. Decreases in All Funds are associated with the elimination of onetime revenues.
- Funding for the Department of Information Resources totals \$866.7 million in All Funds, primarily Other Funds from Interagency Contracts and Appropriated Receipts, for the 2020–21 biennium, an increase of \$140.6 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 \$8.7 million in Economic Stabilization Funds to provide multi-factor authentication to the state’s high risk IT 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 \$96.1 million in All Funds for the 2020–21 biennium, which is an increase of \$26.6 million from the 2018–19 biennium. The increase is related primarily to onetime funding from the Economic Stabilization Fund for the expansion of the State Records Center in Austin.
- Funding for the Commission on the Arts totals \$18.2 million in All Funds for the 2020–21 biennium, which is an increase of \$5.2 million from the 2018–19 biennium, due primarily to \$5.0 million in General Revenue for Cultural District Arts grants.
- 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 Historical Commission totals \$88.2 million in All Funds for the 2020–21 biennium, which is an increase of \$16.9 million from the 2018–19 biennium, primarily due to funding from the Economic Stabilization Fund for Courthouse Preservation Grants and to capital projects at the agency’s historic sites.
- Funding for the Secretary of State totals \$84.7 million in All Funds for the 2020–21 biennium, which is an increase of \$16.6 million from the 2018–19 biennium, due to the receipt of a federal grant as well as increased funding for primary election reimbursements and information technology projects.

Figure 26 shows the All Funds appropriation for each agency in Article I, and **Figure 27** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for some of the agencies in Article I.

FIGURE 26
ARTICLE I – GENERAL GOVERNMENT, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
FUNCTION	2018–19	CSHB1 2020–21	CHANGE	CHANGE
Commission on the Arts	\$13.0	\$18.2	\$5.2	39.8%
Office of the Attorney General	\$1,248.1	\$1,257.1	\$9.0	0.7%
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	\$635.6	(\$5.0)	(0.8%)
Fiscal Programs within the Comptroller of Public Accounts	\$1,210.1	\$1,240.9	\$30.9	2.6%
Commission on State Emergency Communications	\$144.8	\$154.7	\$9.8	6.8%
Texas Emergency Services Retirement System	\$4.1	\$4.4	\$0.4	8.6%
Employees Retirement System	\$27.2	\$27.5	\$0.3	1.1%
Texas Ethics Commission	\$5.9	\$7.1	\$1.2	20.5%
Facilities Commission	\$1,027.6	\$881.5	(\$146.1)	(14.2%)
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	\$1,368.3	(\$111.3)	(7.5%)
Historical Commission	\$71.4	\$88.2	\$16.9	23.6%
Department of Information Resources	\$726.1	\$866.7	\$140.6	19.4%
Library and Archives Commission	\$69.6	\$96.1	\$26.6	38.2%
Pension Review Board	\$2.0	\$1.9	(\$0.1)	(4.6%)
Preservation Board	\$37.1	\$34.3	(\$2.7)	(7.4%)
State Office of Risk Management	\$107.0	\$108.8	\$1.8	1.7%
Secretary of State	\$68.1	\$84.7	\$16.6	24.4%
Veterans Commission	\$91.7	\$99.7	\$7.9	8.6%
Subtotal, General Government	\$7,605.2	\$7,605.6	\$0.5	0.0%
Employee Benefits and Debt Service	\$765.0	\$838.9	\$73.8	9.7%
Less Interagency Contracts	\$866.9	\$935.3	\$68.4	7.9%
Total, All Functions	\$7,503.3	\$7,509.2	\$5.9	0.1%

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 27
ARTICLE I – GENERAL GOVERNMENT, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
FUNCTION	2018–19	CSHB1 2020–21	CHANGE	CHANGE
Commission on the Arts	\$9.9	\$15.6	\$5.6	56.6%
Office of the Attorney General	\$474.6	\$454.0	(\$20.6)	(4.3%)
Bond Review Board	\$1.6	\$1.7	\$0.0	2.0%
Cancer Prevention and Research Institute of Texas	\$0.0	\$0.0	\$0.0	N/A
Comptroller of Public Accounts	\$603.1	\$603.1	\$0.0	0.0%
Fiscal Programs within the Comptroller of Public Accounts	\$1,124.6	\$1,159.9	\$35.3	3.1%
Commission on State Emergency Communications	\$0.0	\$0.0	\$0.0	N/A
Texas Emergency Services Retirement System	\$1.4	\$1.5	\$0.1	5.1%
Employees Retirement System	\$27.2	\$27.5	\$0.3	1.1%
Texas Ethics Commission	\$5.9	\$6.4	\$0.5	8.9%
Facilities Commission	\$76.2	\$83.7	\$7.6	10.0%
Public Finance Authority	\$1.7	\$1.6	(\$0.1)	(7.5%)
Office of the Governor	\$31.4	\$24.9	(\$6.6)	(20.9%)
Trusted Programs within the Office of the Governor	\$300.0	\$258.6	(\$41.4)	(13.8%)
Historical Commission	\$37.6	\$39.3	\$1.7	4.6%
Department of Information Resources	\$3.2	\$3.2	\$0.0	0.0%
Library and Archives Commission	\$30.5	\$30.7	\$0.1	0.4%
Pension Review Board	\$2.0	\$1.9	(\$0.1)	(4.6%)
Preservation Board	\$36.9	\$14.9	(\$22.0)	(59.5%)
State Office of Risk Management	\$0.0	\$0.0	\$0.0	N/A
Secretary of State	\$43.9	\$49.5	\$5.7	12.9%
Veterans Commission	\$26.7	\$33.1	\$6.4	23.9%
Subtotal, General Government	\$2,838.4	\$2,810.9	(\$27.5)	(1.0%)
Subtotal, Employee Benefits and Debt Service	\$568.4	\$733.4	\$164.9	29.0%
Total, All Functions	\$3,406.9	\$3,544.3	\$137.4	4.0%

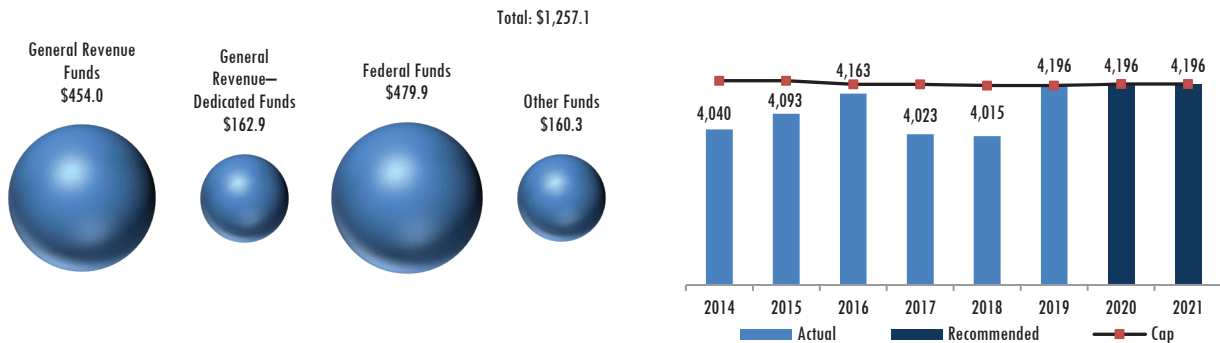
NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

OFFICE OF THE ATTORNEY GENERAL

FIGURE 28
OFFICE OF THE ATTORNEY GENERAL, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$474.6	\$454.0	(\$20.6)	(4.3%)
General Revenue–Dedicated Funds	\$144.1	\$162.9	\$18.8	13.1%
Federal Funds	\$481.5	\$479.9	(\$1.5)	(0.3%)
Other Funds	\$147.9	\$160.3	\$12.4	8.4%
Total, All Methods of Finance	\$1,248.1	\$1,257.1	\$9.0	0.7%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTE: 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.

Appropriations for the Office of the Attorney General for the 2020–21 biennium total \$1.3 billion in All Funds, reflecting an All Funds increase of \$9.0 million from the 2018–19 biennium. This increase is primarily attributed to appropriations for crime victim compensation as well as Centralized Accounting and Payroll/Personnel System (CAPPS) deployment.

HIGHLIGHTS

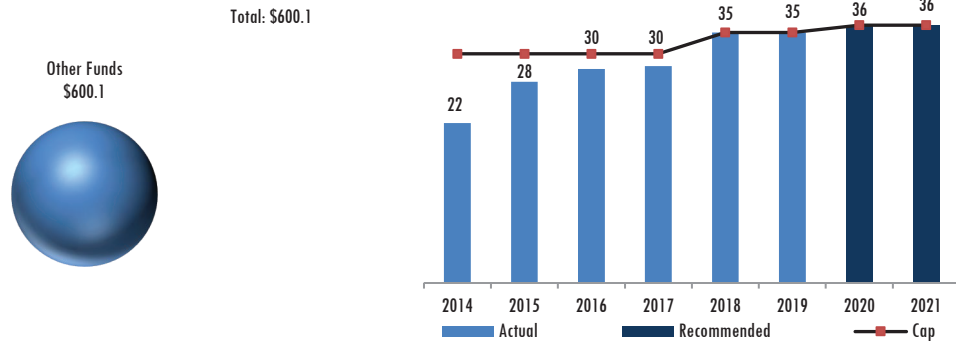
- Funding includes \$74.2 million in All Funds for Victims Assistance Grants. This amount includes an increase of \$7.7 million in General Revenue Funds from the 2018–19 biennium. Additional General Revenue Funds for the 2020–21 biennium is directed to the Sexual Assault Prevention and Crisis Services Program to award grants and contracts for rape crisis centers working to prevent sexual violence.
- Funding includes \$162.3 million in All Funds for Crime Victims Compensation, which provide victims of violent crime with financial assistance for certain expenses. This represents an increase of \$19.0 million in All Funds from the previous biennium, mostly due to increased appropriations from General Revenue–Dedicated Fund 0469, Compensation for Victims of Crime.
- Funding includes \$723.8 million in All Funds for Child Support Enforcement. This amount includes a decrease of \$29.1 million in All Funds, the majority of which is due to the decrease of onetime capital funding for the Texas Child Support Enforcement System 2.0 (T2) project, and the decrease of onetime capital funding for implementing the Centralized Accounting and Payroll/Personnel system.

- Funding includes \$17.4 million in All Funds for the T2 capital project, which seeks to enhance Texas' main database system for the Child Support Division. T2 funding includes \$10.0 million for managed services, and \$7.2 million for ongoing infrastructure services. The cost of the T2 project is shared with the federal Office of Child Support Enforcement for the match requirement of 34.0 percent of state dollars to 66.0 percent of federal grants. T2 was originally scheduled for release as two phases between June of 2016 and July of 2017 at an estimated cost of \$223.6 million. T2 had an expected release date of March 4, 2019, at an estimated total cost of \$419.6 million. The state share is estimated at \$142.6 million, and the federal share is estimated at \$277.0 million, but the project is currently delayed.
- Funding includes \$11.5 million in All Funds for implementation of the financials portion of the statewide CAPPs during the 2020–21 biennium.

CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS

FIGURE 29
CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$595.2	\$600.1	\$4.9	0.8%
Total, All Methods of Finance	\$595.2	\$600.1	\$4.9	0.8%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTE: 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.

Funding for the Cancer Prevention and Research Institute of Texas (CPRIT) totals \$600.1 million in All Funds for the 2020–21 biennium, an increase of \$4.9 million from the 2018–19 biennium. This increase is due to the transfer of bond proceeds in 2018–19 to the Department of State Health Services for the Cancer Registry.

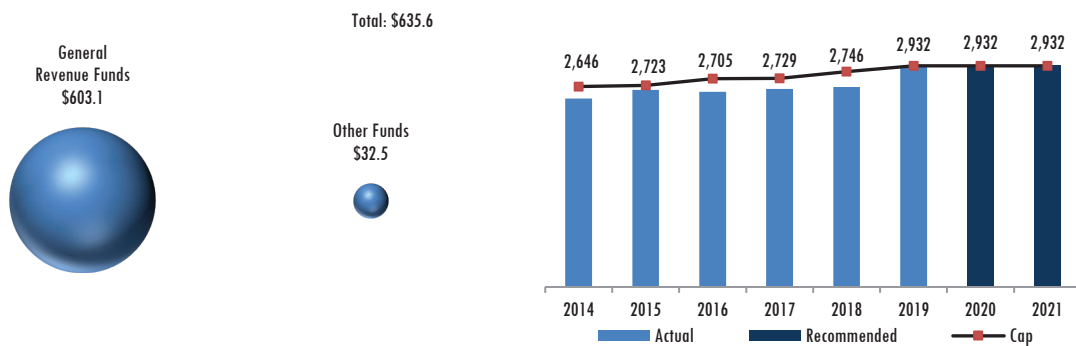
HIGHLIGHTS

- Funding includes appropriating \$436.0 million in remaining available bond proceeds to the agency. This appropriation represents the remaining balance of the \$3.0 billion in General Obligation bonds authorized to be issued by the Texas Public Finance Authority for CPRIT.
- Funding includes \$164.0 million in Other Funds from the Economic Stabilization Fund to increase agency funding to its historical appropriation of \$600.0 million per biennium. Statute limits the authorization of grant awards to \$300.0 million each fiscal year.

COMPTROLLER OF PUBLIC ACCOUNTS

FIGURE 30
COMPTROLLER OF PUBLIC ACCOUNTS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$603.1	\$603.1	\$0.0	0.0%
General Revenue–Dedicated Funds	\$0.0	\$0.0	(\$0.0)	(100.0%)
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$37.5	\$32.5	(\$5.0)	(13.4%)
Total, All Methods of Finance	\$640.6	\$635.6	(\$5.0)	(0.8%)
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTE: 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.

Funding for the Comptroller of Public Accounts totals \$635.6 million in All Funds for the 2020–21 biennium, a decrease of \$5.0 million. The decrease in funding is related primarily to the decreases in Other Funds from Appropriated Receipts and Interagency Contracts for the Centralized Accounting and Payroll/Personnel System (CAPPS) and a decrease in forfeiture and seizure receipts from criminal investigations.

HIGHLIGHTS

- General Revenue Funds are maintained at the 2018–19 biennial level of \$603.1 million for all programs and services. The funding level also provides for continuation of technology projects to upgrade the agency's tax collection, revenue processing, and statewide financial systems, and utilization of temporary agencies' services for revenue administration.
- Funding includes \$96.8 million in All Funds for maintenance and migration of agencies onto CAPPS. This amount includes \$68.2 million in General Revenue Funds, \$24.0 million in SmartBuy procurement system vendor fees (Appropriated Receipts), and \$4.7 million in PeopleSoft license payments made by six agencies (Interagency Contracts). Funding represents a decrease of \$3.8 million in Other Funds primarily from balances of SmartBuy fees (\$3.6 million) and Interagency Contract funds (\$0.3 million) carried forward and budgeted for the 2018–19 biennium, offset by an increase in Interagency Contract payments for PeopleSoft license maintenance (\$0.1 million).

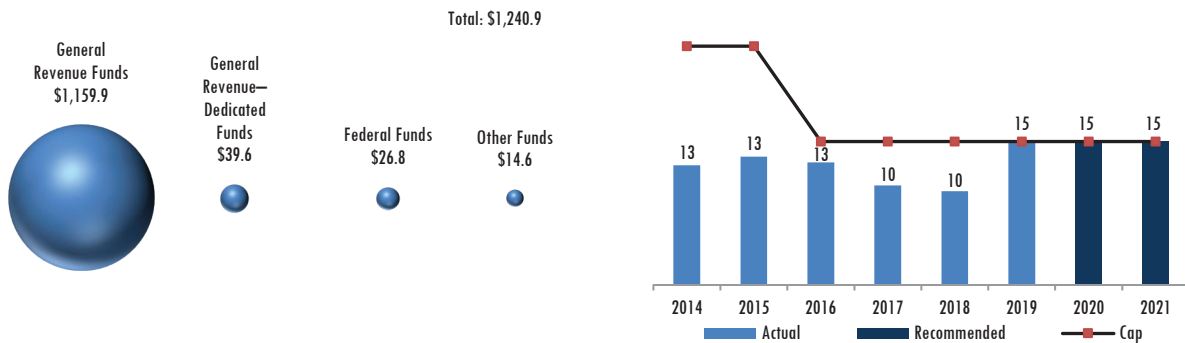
FISCAL PROGRAMS WITHIN THE COMPTROLLER OF PUBLIC ACCOUNTS

FIGURE 31
FISCAL PROGRAMS WITHIN THE COMPTROLLER OF PUBLIC ACCOUNTS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	CSHB1 2020–21	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19		CHANGE	CHANGE
General Revenue Funds	\$1,124.6	\$1,159.9	\$35.3	3.1%
General Revenue–Dedicated Funds	\$27.5	\$39.6	\$12.1	44.1%
Federal Funds	\$27.4	\$26.8	(\$0.5)	(2.0%)
Other Funds	\$30.6	\$14.6	(\$16.0)	(52.2%)
Total, All Methods of Finance	\$1,210.1	\$1,240.9	\$30.9	2.6%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTE: 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.

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 \$30.9 million. The increase is related primarily to agency estimates for certain statutorily required disbursements and changes to funding levels to various programs, noted below.

HIGHLIGHTS

- Funding includes \$492.9 million in General Revenue Funds, an increase of \$47.4 million from the 2018–19 biennium, for mixed beverage taxes reimbursements to counties and incorporated municipalities to maintain statutorily set minimum disbursement levels of 10.7143 percent of the mixed beverage gross receipts and sales taxes based on estimated growth in mixed beverage sales.
- Funding provides \$550.0 million in General Revenue Funds for unclaimed property payments, which includes a decrease of \$25.0 million for estimated decreases in such claims.
- Funding provides \$26.0 million in General Revenue Funds for payments for miscellaneous and wrongful imprisonment claims based on historical expenditures. This amount represents decreases of \$2.0 million in General Revenue Funds and \$16.1 million in all other funds and accounts.
- Funding provides \$20.0 million in General Revenue Funds, an increase of \$13.5 million from the 2018–19 biennium, for payments to qualified cities and counties to offset lost property tax revenue from the granting of a 100.0 percent

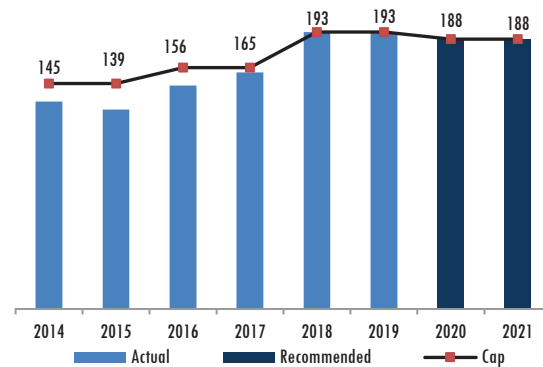
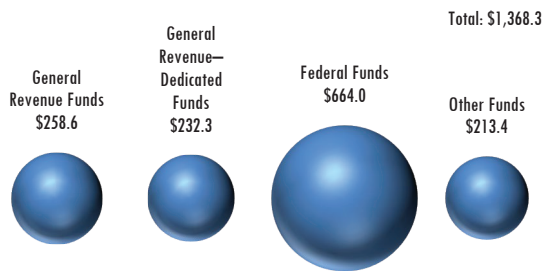
disabled veteran residence homestead exemption pursuant to the Texas Tax Code, Section 11.131. The funding increase is based on estimated growth in the value of homes owned by individuals qualifying for the exemption.

- Included in the House version of the supplemental bill is funding for payment of contract obligations of the Texas Guaranteed Tuition Plan for an estimated \$211.0 million in Economic Stabilization Funds. The plan, also known as the Texas Tomorrow Fund, is expected to run out of cash in fiscal year 2020 and is backed by the full faith and credit of the state.

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR

FIGURE 32
TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$300.0	\$258.6	(\$41.4)	(13.8%)
General Revenue–Dedicated Funds	\$383.7	\$232.3	(\$151.4)	(39.5%)
Federal Funds	\$618.1	\$664.0	\$45.9	7.4%
Other Funds	\$177.8	\$213.4	\$35.6	20.0%
Total, All Methods of Finance	\$1,479.6	\$1,368.3	(\$111.3)	(7.5%)



NOTE: 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.

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 \$111.3 million from the 2018–19 biennium. This decrease is due primarily to the expenditure during the 2018–19 biennium of unexpended balances carried forward from the 2016–17 biennium.

HIGHLIGHTS

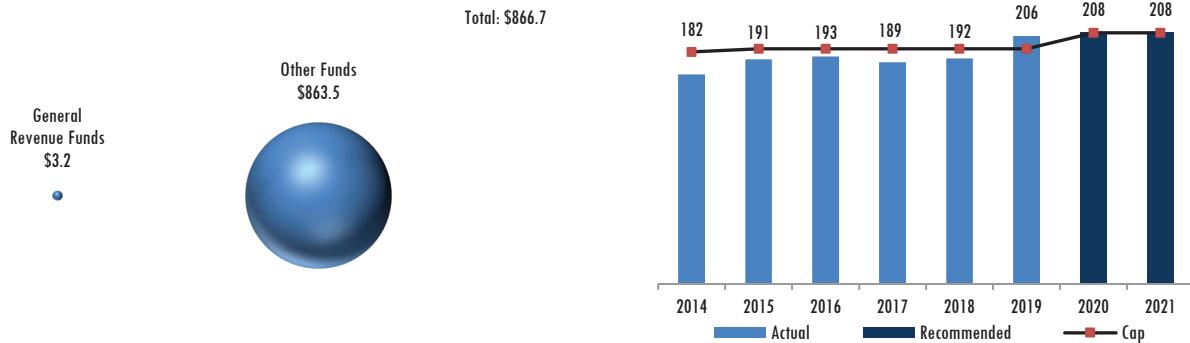
- Significant funding decreases are related to the removal of onetime funding items from the 2018–19 biennium, including the following amounts:
 - a decrease of \$206.1 million in General Revenue Funds and General Revenue–Dedicated Funds related to unexpended balances carried forward from fiscal year 2017 into the 2018–19 biennium in multiple strategies; and
 - a decrease of \$110.0 million in General Revenue Funds expended primarily for the Texas Enterprise Fund and the Governor's University Research Initiative.
- Funding includes an increase of \$45.8 million in Federal Funds related primarily to an increase in the federal allocation of Crime Victims Assistance and Homeland Security grants.
- Funding includes \$111.9 million in estimated unexpended balances remaining at the end of fiscal year 2019 in the Texas Enterprise Fund for incentive grants. The funding represents a decrease of \$45.3 million from the 2018–19 biennium level in the General Revenue–Dedicated account.

- Funding includes \$26.2 million in estimated unexpended balances remaining at the end of fiscal year 2019 in the Governor's University Research Initiative for recruitment grants. The funding reflects a decrease of \$27.1 million from the 2018–19 biennium level in the General Revenue–Dedicated account.
- Funding includes \$110.4 million in Hotel Occupancy Tax Deposits for the 2020–21 biennium, which is the same amount appropriated for the 2018–19 biennium (\$34.2 million), plus projected unobligated balances from the 2018–19 biennium (\$76.2 million).
- Funding includes \$50.0 million in Economic Stabilization Funds to provide funding to the Defense Economics Adjustment Assistance Grant program to provide assistance to military defense impacted communities.
- Funding includes \$100.0 million from the Economic Stabilization Fund for disaster grants.
- Included in the House version of the supplemental bill is \$50.0 million in Economic Stabilization Funds to establish a program for higher education and private sector industries in Texas to partner in commercializing and manufacturing technology for infrastructure networks, public safety, and national defense.

DEPARTMENT OF INFORMATION RESOURCES

FIGURE 33
DEPARTMENT OF INFORMATION RESOURCES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$3.2	\$3.2	\$0.0	0.0%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$722.9	\$863.5	\$140.6	19.5%
Total, All Methods of Finance	\$726.1	\$866.7	\$140.6	19.4%



NOTE: 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.

Funding for the Department of Information Resources (DIR) totals \$866.7 million in All Funds, primarily in Other Funds from Interagency Contracts and Appropriated Receipts, for the 2020–21 biennium, an increase of \$140.6 million. The increase is due primarily to an estimated increase in consumption of data center services by customer agencies and for providing a full biennium of funding from Texas.gov receipts for implementation of the Texas.gov state website.

HIGHLIGHTS

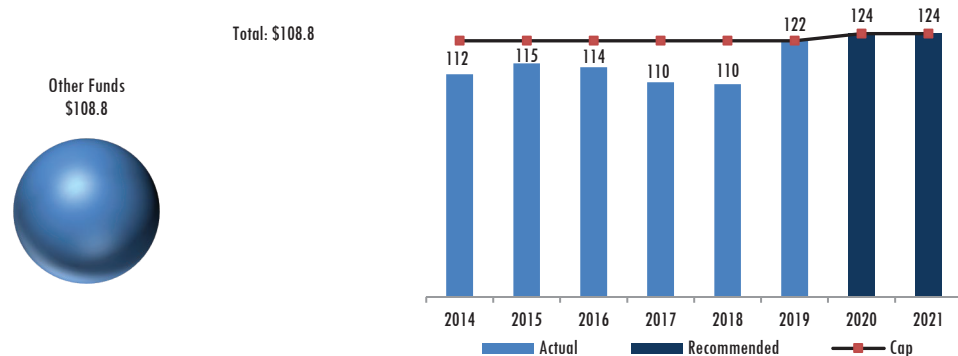
- Funding levels include \$787.8 million for payments to service providers of telecommunications and data center services for cost of services for which the agency directly bills customers and for payments to service providers for operation of the Texas.gov website. This amount is an increase of \$127.9 million from 2018–19 biennial funding levels for the following services:
 - Capitol Complex Telephone System – funding provides \$11.0 million, including an increase of \$0.9 million due to maintenance of the existing private branch exchange phone system as agencies transition to a voice over Internet protocol platform;
 - Texas Agency Network – funding provides \$142.3 million, including an increase of \$6.2 million related to an estimated increased in consumption of data and voice services;
 - Data Center Services (DCS) – funding provides \$551.5 million, including an increase of \$71.5 million based on anticipated increased usage of DCS by customer agencies. Costs reflect amounts to maintain current service levels and projects initiated during the 2018–19 biennium, including certain agencies shifting procurement of Microsoft licensing costs from outside of the DCS program to the DCS program; and

- Texas.gov – funding provides \$83.0 million, including an increase of \$49.4 million, in estimated payments to service providers for application development, application maintenance, and customer support for the portal for a full biennium; only one year of costs is included in 2018–19 biennial funding. The funding increase additionally includes \$11.7 million in enhancements to Texas.gov, including enhancements to applications for the Department of Public Safety, Juvenile Justice Department, Department of State Health Services, and other agencies' applications.
- Funding provides \$30.0 million in All Funds for information security programs and services, including an increase of \$4.0 million in Appropriated Receipts and Interagency Contracts primarily related to delays in testing services and assessments for state agencies due to implementation of new service provider contracts during the 2018–19 biennium. Funding also includes \$8.7 million in Economic Stabilization Funds to DIR to provide multi-factor authentication to the state's high risk IT systems, secure coding training to developers across state agencies, and to provide a security rating of state agencies' public-facing websites.

STATE OFFICE OF RISK MANAGEMENT

FIGURE 34
STATE OFFICE OF RISK MANAGEMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	CSHB1 2020–21	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19		CHANGE	CHANGE
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$107.0	\$108.8	\$1.8	1.7%
Total, All Methods of Finance	\$107.0	\$108.8	\$1.8	1.7%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTE: 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.

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. SORM is under Strategic Fiscal Review and Sunset review. The agency receives its funding primarily through allocation assessments paid by state entities that are participants in the state-administered workers' compensation program.

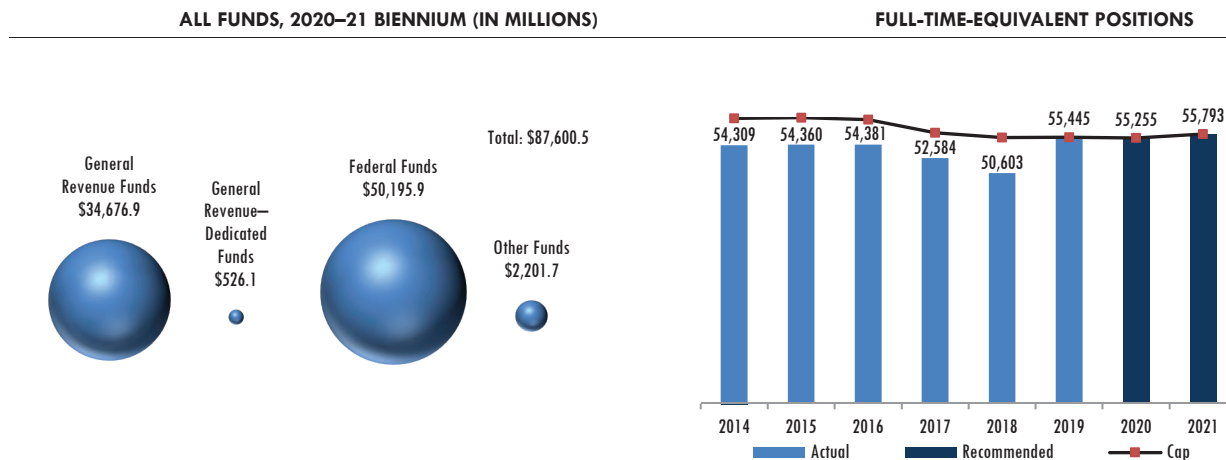
HIGHLIGHTS

- Funding includes \$98.5 million in All Funds for the State Workers' Compensation and Claims Operations Programs, which constitutes more than 90.0 percent of the agency's total budget and represents a \$0.2 million decrease from the 2018–19 biennium related to onetime Appropriated Receipts.
- Funding includes \$4.5 million in All Funds for the Enterprise Risk Management Program that represents an approximately \$0.2 million increase from the 2018–19 biennium related primarily to personnel costs.
- Funding includes an increase of \$1.8 million for a Risk Management Information System to upgrade agency technology and improve agency operations.
- Funding includes \$0.4 million in All Funds for Insurance Purchasing and includes a \$34,293 increase from the 2018–19 biennium related primarily to personnel costs. SORM oversees the purchase of five state-sponsored insurance programs and reviews the purchase of other, nonstate-sponsored lines of insurance. The agency plans to introduce four lines of state-sponsored insurance during the next five years.

ARTICLE II – HEALTH AND HUMAN SERVICES

FIGURE 35
ARTICLE II – HEALTH AND HUMAN SERVICES, BY METHOD OF FINANCE

(IN MILLIONS)				
METHOD OF FINANCE	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$34,716.3	\$34,676.9	(\$39.4)	(0.1%)
General Revenue–Dedicated Funds	\$566.9	\$526.1	(\$40.8)	(7.2%)
Federal Funds	\$46,704.3	\$50,195.9	\$3,491.6	7.5%
Other Funds	\$1,596.7	\$2,201.7	\$605.0	37.9%
Total, All Methods of Finance	\$83,584.2	\$87,600.5	\$4,016.3	4.8%



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 \$87.6 billion, an increase of \$4.0 billion from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$35.2 billion, a decrease of \$80.2 million from the 2018–19 biennium.

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

- an increase of \$2.3 billion associated with projected caseload growth and maintaining fiscal year 2019 average costs or rates for Medicaid, Children's Health Insurance Program (CHIP), and child protective services programs including foster care;
- an increase of \$0.8 billion for Medicaid client services including rate increases for certain providers and expansion of community-based long-term care;
- a decrease of \$523.5 million 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; and
- an increase of \$1.1 billion for state supported living centers, state hospitals, and community mental health hospitals, including \$938.1 million in All Funds for new construction at state hospitals and deferred maintenance projects 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 \$68.6 billion in All Funds, including \$25.6 billion in General Revenue Funds and \$0.1 billion in General Revenue–Dedicated Funds, is provided at the three health and human services agencies for the Texas Medicaid program. This amount is an increase of \$3.0 billion in All Funds and a decrease of \$1.1 billion in General Revenue Funds, including the following amounts:
 - included in these amounts is \$63.7 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 \$2.7 billion All Funds in Medicaid client services, \$0.1 billion All Funds in other programs supported by Medicaid funding, and \$0.2 billion All Funds in administrative funding;
 - increased All Funds provided 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 is also provided to support community-based long-term-care, including 2,476 additional Home and Community-based Services (HCS) waiver slots for Promoting Independence, beginning the transition of day habilitation services to individualized skills and socialization to meet federal requirements, attendant wage increases, additional medical and dental services for certain individuals enrolled in the HCS waiver, increases in the cost of the Program of All-inclusive Care for the Elderly (PACE), and rate increases for consumer-directed services and the HCS and Texas Home Living waivers. Rate increases are also provided for inpatient services provided by rural hospitals and intermediate care facilities for individuals with intellectual disabilities. 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 \$1.4 billion. 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 \$4.1 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 an increase of \$665.4 million in All Funds and \$298.7 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 construction and 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 includes \$2.0 billion in All Funds, including \$936.9 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 \$193.1 million in All Funds from 2018–19 biennial spending levels primarily to support projected caseload growth. These amounts also include funding for rate increases for certain foster care providers. The 2018–19 biennial amounts for child protective services programs assume supplemental funding to complete fiscal year 2019 expenditures.
- In addition to assumed supplemental funding mentioned above for Medicaid and child protective services programs, the House version of the supplemental bill includes funding for additional foster care services, newborn screening for X-linked Adrenoleukodystrophy, trauma capacity grants, women's health, state-owned facilities, early childhood intervention services, and children's hospital rate increases.

Figure 36 shows the All Funds appropriation for each agency in Article II, and **Figure 37** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for the agencies in Article II.

FIGURE 36
ARTICLE II – HEALTH AND HUMAN SERVICES, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED	RECOMMENDED	BIENNIAL	PERCENTAGE
FUNCTION	2018–19	2020–21	CHANGE	CHANGE
Department of Family and Protective Services	\$4,175.1	\$4,527.7	\$352.6	8.4%
Department of State Health Services	\$1,688.2	\$1,700.6	\$12.4	0.7%
Health and Human Services Commission	\$76,381.5	\$79,915.2	\$3,533.7	4.6%
Subtotal, Health and Human Services	\$82,244.8	\$86,143.5	\$3,898.8	4.7%
Employee Benefits and Debt Service	\$2,131.7	\$2,230.1	\$98.4	4.6%
Less Interagency Contracts	\$792.2	\$773.1	(\$19.1)	(2.4%)
Total, All Functions	\$83,584.2	\$87,600.5	\$4,016.3	4.8%

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 37
ARTICLE II – HEALTH AND HUMAN SERVICES, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED	RECOMMENDED	BIENNIAL	PERCENTAGE
FUNCTION	2018–19	2020–21	CHANGE	CHANGE
Department of Family and Protective Services	\$2,389.5	\$2,627.9	\$238.3	10.0%
Department of State Health Services	\$475.6	\$554.9	\$79.3	16.7%
Health and Human Services Commission	\$30,417.1	\$29,992.1	(\$425.0)	(1.4%)
Subtotal, Health and Human Services	\$33,282.3	\$33,174.8	(\$107.4)	(0.3%)
Employee Benefits and Debt Service	\$1,434.1	\$1,502.0	\$68.0	4.7%
Total, All Functions	\$34,716.3	\$34,676.9	(\$39.4)	(0.1%)

NOTES:

- (1) May include anticipated supplemental spending adjustments.
- (2) Figure totals may not sum due to rounding.

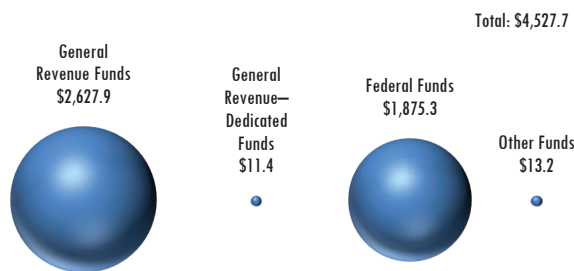
SOURCE: Legislative Budget Board.

DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

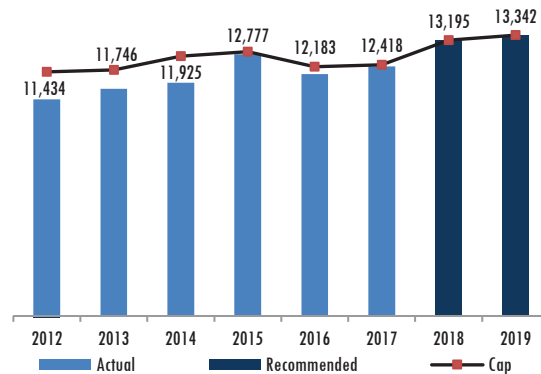
FIGURE 38
DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$2,389.5	\$2,627.9	\$238.3	10.0%
General Revenue–Dedicated Funds	\$11.4	\$11.4	\$0.0	0.0%
Federal Funds	\$1,760.7	\$1,875.3	\$114.5	6.5%
Other Funds	\$13.4	\$13.2	(\$0.3)	(1.9%)
Total, All Methods of Finance	\$4,175.1	\$4,527.7	\$352.6	8.4%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) May include anticipated supplemental spending adjustments.
- (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.

Funding for the Department of Family and Protective Services for the 2020–21 biennium totals \$4.5 billion in All Funds, including \$2.6 billion in General Revenue Funds and \$11.4 million in General Revenue–Dedicated Funds. This amount represents a \$238.3 million, or 10.0 percent, increase in General Revenue Funds and a \$352.6 million, or 8.4 percent, increase in All Funds.

HIGHLIGHTS

- Funding includes a total of \$2.0 billion in All Funds and \$936.9 million in General Revenue Funds, an increase of \$193.1 million in All Funds and \$101.3 million in General Revenue Funds from 2018–19 biennial spending levels, for the following client services programs:
 - funding includes \$1.1 billion in All Funds and \$511.7 million in General Revenue Funds for Foster Care Payments, including those for Community-based Care. Funding includes a \$73.9 million increase in All Funds and \$47.2 million increase in General Revenue Funds from the 2018–19 biennial base. The increase is due primarily to projected caseload growth and increased network support payments for Community-based Care related to biennializing the expansion that occurred during fiscal year 2019 and expanding Community-based Care into two new regions and into stage 2 in Region 3B. The increase also includes funding for rate increases for certain foster care providers. Increased General Revenue Funds demand associated with caseload growth and network support payments is offset mostly by a decrease in General Revenue Funds demand attributed to more favorable Federal Medical Assistance Percentages (FMAP);

- funding includes \$612.4 million in All Funds and \$281.9 million in General Revenue Funds for Adoption Subsidies and Permanency Care Assistance Payments. Funding includes a \$46.8 million increase in All Funds due primarily to projected caseload growth. Increased General Revenue Funds demand associated with caseload growth is more than offset by decreases attributed to more favorable FMAPs and an increase in eligibility for the federal Title IV-E funding, resulting in a decrease of \$3.4 million in General Revenue Funds;
- funding includes \$197.5 million in All Funds and \$85.1 million in General Revenue Funds for Texas Workforce Commission (TWC) contracted day-care services. Funding includes a \$15.3 million increase in All Funds, which are assumed to be funded with federal Child Care Development Block Grant Federal Funds, from the 2018–19 biennial base related primarily to projected caseload and cost growth and to maintain a full biennium of rate increases implemented by TWC in August 2018; and
- funding includes \$80.6 million in All Funds and \$58.1 million in General Revenue Funds for Relative Caregiver Monetary Assistance Payments. Funding includes a \$7.7 million increase in All Funds from the 2018–19 biennial base related to projected caseload growth. An \$11.8 million increase in General Revenue Funds is due to caseload growth and decreased eligibility for Temporary Assistance for Needy Families Federal Funds.
- The House version of the supplemental bill includes funding to complete fiscal year 2019 expenditures, Temporary Emergency Placements, and Community-based Care in Region 3B.
- Funding includes \$1.6 billion in All Funds for Child Protective Services direct delivery staff, including services provided through Community-based Care. This amount includes increased funding for additional full-time-equivalent (FTE) positions to maintain caseloads per worker for most caseworkers and 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 in two new regions and into stage 2 in Region 3B.
- Funding includes \$119.8 million in All Funds for Adult Protective Services direct delivery staff, an increase of \$24.8 million in All Funds. This amount includes increased funding for additional FTE positions and salary increases to maintain the caseload per worker ratio.
- Funding includes \$53.6 million in All Funds for Statewide Intake, an increase of \$8.7 million in All Funds. This amount includes increased funding for additional FTE positions and salary increases to decrease call hold times.
- Child Protective Services funding also includes \$166.2 million in All Funds and \$100.1 million in General Revenue Funds purchased services, including adoption, post-adoption and post-permanency, preparation for adult living (PAL), substance abuse, and other purchased services. This amount is an increase of \$9.1 million in All Funds and \$8.6 million in General Revenue Funds from the 2018-19 biennial base.
- Funding includes a decrease of \$10.6 million in All Funds primarily for various information technology projects for Information Management Protecting Adults and Children in Texas and for projects related to programs that transferred to the Health and Human Services Commission, pursuant to Senate Bill 11, Eighty-fifth Legislature, Regular Session, 2017.

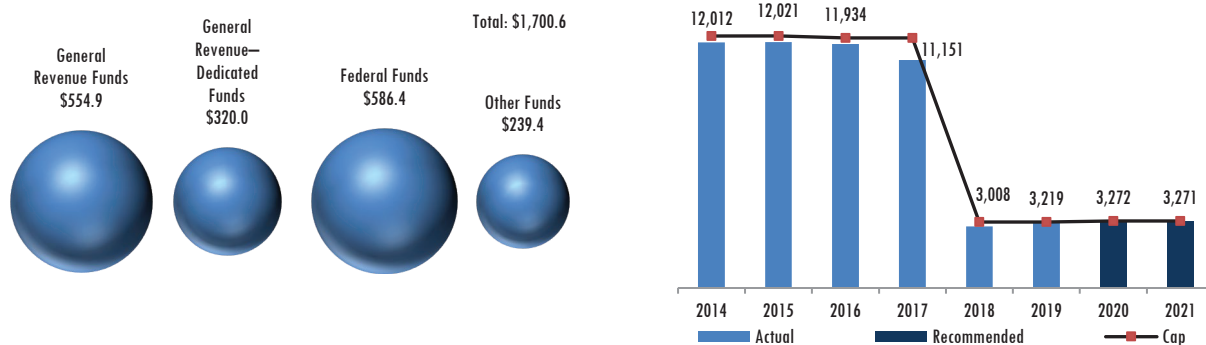
DEPARTMENT OF STATE HEALTH SERVICES

FIGURE 39
DEPARTMENT OF STATE HEALTH SERVICES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$475.6	\$554.9	\$79.3	16.7%
General Revenue–Dedicated Funds	\$336.2	\$320.0	(\$16.2)	(4.8%)
Federal Funds	\$660.1	\$586.4	(\$73.7)	(11.2%)
Other Funds	\$216.3	\$239.4	\$23.1	10.7%
Total, All Methods of Finance	\$1,688.2	\$1,700.6	\$12.4	0.7%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.
- (2) The full-time-equivalent (FTE) actual positions for fiscal years 2016 to 2018 represent FTE positions transferred to the Texas Department of Licensing and Regulation pursuant to Senate Bill 202, Eighty-fourth Legislature, 2015, and to the Health and Human Services Commission pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015.

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

Funding for the Department of State Health Services (DSHS) for the 2020–21 biennium totals \$1.7 billion in All Funds, which represents an All Funds increase of \$12.4 million, or 0.7 percent. The increase in funding is related primarily to additional funding for the state public health laboratory; vital event records; salaries for technical, scientific, and financial staff; infectious disease response; and Tuberculosis prevention activities. Funding is offset by a decrease related to one-time Hurricane Harvey Assistance federal funding and a decrease in federal funding for HIV activities.

HIGHLIGHTS

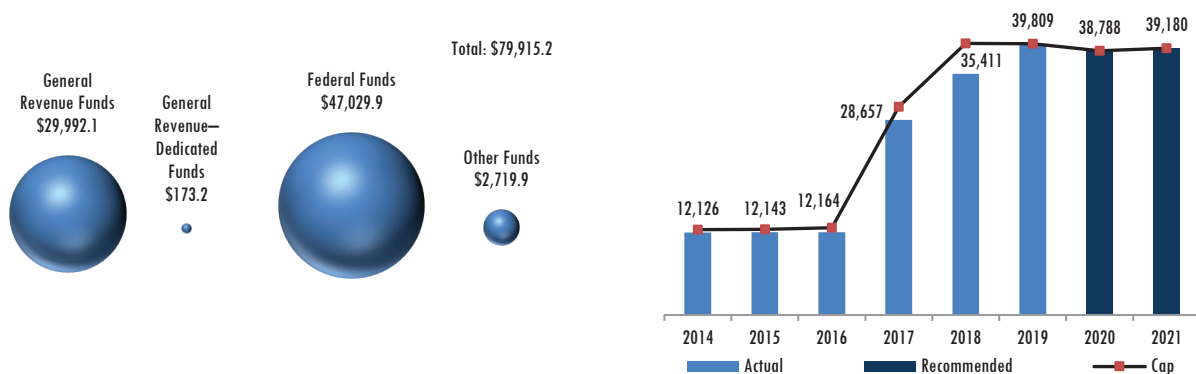
- Funding for the 2020–21 biennium represents an overall increase of \$79.3 million in General Revenue Funds. Significant funding includes the following increases:
 - \$22.6 million for the state public health laboratory to address the agency's loss of revenue and additional staff to meet increased testing volumes;
 - \$15.9 million to detect and control the spread of Tuberculosis through expanding contracts with local health departments, improving tools and inpatient capacity, and a pilot program for video observed therapy;
 - \$8.8 million for salary increases for certain personnel;
 - \$8.4 million for immunization activities to offset a decrease in Federal Funds;

- \$7.0 million to combat maternal mortality and morbidity, contingent on the enactment of legislation;
 - \$5.0 million to replace General Obligation Bond Proceeds transferred from the Cancer Prevention and Research Institute;
 - \$3.0 million and additional staff to address vital records request backlog and improve the quality of death data;
 - \$2.4 million to improve infectious disease response through the Texas Enhancement of the National Electronic Disease Surveillance System and continue the Infectious Disease Response Unit; and
 - \$1.3 million to replace 49 vehicles, primarily in DSHS regional offices.
- Funding for EMS and Trauma Care Systems totals \$251.8 million in General Revenue Funds and General Revenue–Dedicated Funds for the 2020–21 biennium, which is a decrease of \$1.9 million from the 2018–19 biennium, primarily due to a decrease in fund balance in the General Revenue–Dedicated Account No. 5111, Designated Trauma Facility and EMS. The \$2.3 million decrease related to Account No. 5111 would decrease the Interagency Contract with the Health and Human Services Commission (HHSC) for add-on payments for trauma and safety-net hospitals. This decrease is offset by other methods of finance at HHSC.
 - Funding represents a decrease of \$6.0 million in three General–Revenue Dedicated Accounts: Account No. 5044, Permanent Fund for Health and Tobacco Education and Enforcement; Account No. 5045, Permanent Fund for Children and Public Health; and Account No. 5046, Permanent Fund for Emergency Medical Services and Trauma Care. The decrease is due to an expected decrease in interest earnings available for appropriation. This decrease is offset by an increase of \$6.3 million in General Revenue Funds, including the following amounts:
 - \$1.5 million for regional and local health services;
 - \$3.0 million for tobacco prevention education;
 - \$1.4 million to support the development of emergency medical services and trauma systems; and
 - \$0.4 million for Trauma Service Area Regional Advisory Councils.
 - Funding represents a decrease of \$10.8 million in Other Funds from HIV Vendor Drug Rebate Revenue available for appropriation for the 2020–21 biennium, primarily attributable to a pharmaceutical manufacture leaving the federal program.
 - Funding represents a method-of-finance swap for laboratory activities of \$5.9 million in Other Funds from the Public Health Medicaid Reimbursements Account for General Revenue–Dedicated Account No. 524, Public Health Services Fees, due to a decreasing fund balance.
 - Funding also includes \$35.0 million in Economic Stabilization Funds to DSHS for repair and renovation of the Austin laboratory generator and renovation of the South Texas and Austin laboratories; upgrades to the Laboratory Information Management Software applications; acquisition of miscellaneous laboratory equipment; an emergency generator for the Austin laboratory; the purchase of servers and updating software; and repairs and renovations for the Texas Center for Infectious Disease infrastructure.
 - Included in the House version of the supplemental bill is \$7.9 million in General Revenue Funds to support newborn screening for X-linked Adrenoleukodystrophy.

HEALTH AND HUMAN SERVICES COMMISSION

FIGURE 40
HEALTH AND HUMAN SERVICES COMMISSION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	CSHB1	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	2020–21	CHANGE	CHANGE
General Revenue Funds	\$30,417.1	\$29,992.1	(\$425.0)	(1.4%)
General Revenue–Dedicated Funds	\$197.1	\$173.2	(\$23.9)	(12.1%)
Federal Funds	\$43,610.4	\$47,029.9	\$3,419.5	7.8%
Other Funds	\$2,156.8	\$2,719.9	\$563.1	26.1%
Total, All Methods of Finance	\$76,381.5	\$79,915.2	\$3,533.7	4.6%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTES:

- (1) May include anticipated supplemental spending adjustments.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.
- (3) Beginning in fiscal year 2017, full-time-equivalent (FTE) actual positions and the FTE position cap represent positions transferred to the Health and Human Services Commission (HHSC) from the Department of Aging and Disability Services (DADS), the Department of Assistive and Rehabilitative Services (DARS), and the Department of State Health Services, pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015.
- (4) In addition to the FTE positions shown, DADS employed 15,803.0 FTE positions during fiscal year 2014; 15,529.0 positions during fiscal year 2015; 16,875.0 positions during fiscal year 2016; and 13,203.5 FTE positions in fiscal year 2017. DARS employed 2,935.3 FTE positions during fiscal year 2014; 2,922.6 positions during fiscal year 2015, and 3,037.3 positions during fiscal year 2016. DADS and DARS were abolished by Senate Bill 200, Eighty-fourth Legislature, 2015, and their programs were transferred to other agencies, primarily to HHSC.

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

Funding for the Health and Human Services Commission (HHSC) for the 2020–21 biennium totals \$79.9 billion in All Funds, which is an increase of \$3.5 billion in All Funds from the 2018–19 biennium. General Revenue Funds total \$30.0 billion, a decrease of \$0.4 billion from the 2018–19 biennium. The HHSC Office of Inspector General is under Strategic Fiscal Review.

HIGHLIGHTS

- Funding for Medicaid client services at HHSC for the 2020–21 biennium includes \$63.7 billion in All Funds, including \$23.9 billion in General Revenue Funds and General Revenue–Dedicated Funds. This amount represents an increase of \$2.7 billion in All Funds, including a decrease of \$1.1 billion in General Revenue Funds and General Revenue–Dedicated Funds, from 2018–19 biennial spending levels. The net increase for Medicaid client services is related primarily to projected caseload growth, maintaining fiscal year 2019 average costs for most services, and cost growth associated with average costs established by the federal government. Funding also includes an increase of \$407.8 million in All

Funds, including \$155.5 million in General Revenue Funds, to support community-based long-term-care, including 2,476 additional Home and Community-based Services (HCS) waiver slots for Promoting Independence, beginning the transition of day habilitation services to individualized skills and socialization to meet federal requirements, attendant wage increases, additional medical and dental services for certain individuals enrolled in the HCS waiver, increases in the cost of the Program of All-inclusive Care for the Elderly (PACE), and rate increases for consumer-directed services. Funding also includes an increase of \$142.1 million in All Funds, including \$55.0 million in General Revenue Funds, for rate increases for inpatient services provided by rural hospitals and \$216.9 million in All Funds, including \$84.0 million in General Revenue Funds, for rate increases for intermediate care facilities for individuals with intellectual disabilities and the HCS and Texas Home Living waivers. 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 \$1.4 billion. Full funding for anticipated increases in cost due to medical inflation, higher utilization, or increased acuity is not included. The 2018–19 biennial spending levels for Medicaid client services assume supplemental funding to complete fiscal year 2019 expenditures.

- Funding for the Children’s Health Insurance Program (CHIP) client services for the 2020–21 biennium includes \$2.2 billion in All Funds (\$459.4 million in General Revenue Funds), which is an increase of \$186.8 million in All Funds (\$314.3 million in General Revenue Funds) from 2018–19 biennial spending levels. The All Funds increase is related primarily to projected caseload growth and the maintenance of fiscal year 2019 average costs. More favorable Enhanced Federal Medical Assistance Percentages are offset by the phase-out of the 23.0 percentage-point increase to matching rates, pursuant to the federal Affordable Care Act, resulting in a decrease of the proportion of the program that is federally funded. Cost growth for CHIP during the 2018–19 biennium is not included.
- Funding for non-Medicaid/CHIP behavioral health totals \$4.0 billion in All Funds, including \$2.4 billion in General Revenue Funds and General Revenue–Dedicated Funds. This amount includes funding for inpatient client services at state hospitals and community 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 services for veterans; and various other services. This amount is an increase of \$655.3 million in All Funds and \$288.6 million in General Revenue Funds and General Revenue–Dedicated Funds. Behavioral health-related expenditures in Medicaid are estimated to be \$3.4 billion in All Funds for the biennium, when including cost growth that is not funded, and behavioral health-related expenditures in CHIP are estimated to be \$111.7 million in All Funds for the biennium, when including cost growth that is not funded. Total behavioral health-related funding at HHSC, including estimated Medicaid and CHIP expenditures, is estimated to be \$7.5 billion in All Funds for the biennium, including the following amounts:
 - funding for community mental health services totals \$1.4 billion in All Funds, including \$1.2 billion in General Revenue Funds. This amount is an increase of \$75.9 million in All Funds, including \$67.2 million in General Revenue Funds, primarily related to maintaining fiscal year 2019 service levels for certain community mental health grant programs and to expand outpatient treatment capacity for adults and children;
 - funding for substance abuse services totals \$485.7 million in All Funds, including \$143.4 million in General Revenue Funds. This amount is a decrease of \$31.9 million in All Funds, primarily related to a projected decrease in the Opioid State Targeted Response federal grant, offset by an increase of \$50.0 million in All Funds to increase rates for substance abuse treatment providers and to reduce the substance abuse treatment waitlist for pregnant women and women with dependent children;
 - funding for state mental health hospitals totals \$912.8 million in All Funds, including \$764.6 million in General Revenue Funds. This amount is an increase of \$108.7 million in All Funds, including \$98.1 million in General Revenue Funds, from 2018–19 biennial spending levels. Funding includes an increase of \$50.0 million in All Funds, including \$49.2 million in General Revenue Funds, for daily operations, \$19.1 million in General Revenue Funds

to address projected agency-projected cost growth, \$15.5 million in General Revenue Funds to staff and operate expanded capacity at San Antonio State Hospital and Kerrville State Hospital, and \$10.2 million in General Revenue Funds for salary increases for psychiatric nursing assistants; and

- funding for capital needs at the state mental health hospitals totals \$823.8 million in All Funds, including \$658.6 million from the Economic Stabilization Fund. This represents an increase of \$443.3 million in All Funds, including \$658.6 million in All Funds for new construction projects at the state hospitals and \$165.2 million in All Funds for deferred maintenance needs. This is offset by a decrease of \$380.5 million in Other Funds associated with funding from the Economic Stabilization Fund appropriated in the 2018-19 biennium for construction and repair projects at the state hospitals and other state-funded inpatient mental health facilities.
- Funding for Medicaid and CHIP contracts and administration totals \$1.3 billion in All Funds, including \$423.6 million in General Revenue Funds, for the 2020–21 biennium. Funding reflects an increase of \$160.3 million in All Funds, including \$32.9 million in General Revenue Funds, from 2018–19 biennial spending levels to transition electronic visit verification functions to the Texas Medicaid and Healthcare Partnership and Medicaid Management Information System, increase contract monitoring and oversight staff, provide for growth in the costs of the Medicaid claims administrator contract, transition current information technology functions related to waiver programs for Individuals with Intellectual and Developmental Disabilities into managed care, and provide for updates to the Medicaid Management and Information System, partially offset by the transfer of the Subrogation and Recovery program to the Office of the Inspector General.
- Funding for the state supported living centers (SSLC) totals \$1.4 billion in All Funds for the 2020–21 biennium, including \$537.5 million in General Revenue Funds. This amount is an increase of \$32.5 million in All Funds related to salary increases for direct care staff, technology upgrades, and to provide specialty services for individuals with an intellectual or developmental disability living in the community. More favorable FMAPs result in a higher proportion of the program being funded with Federal Funds, contributing to an overall decrease to General Revenue Funds of \$31.2 million. An additional increase of \$97.9 million in All Funds for capital repairs and renovations at the SSLCs does not contribute to the increase previously discussed.
- Funding for Women’s Health Programs includes \$366.9 million in All Funds, including \$229.2 million in General Revenue Funds, for the 2020–21 biennium. This amount is an increase of \$87.9 million in All Funds, including \$29.4 million in General Revenue Funds, from 2018–19 biennial spending levels.
- Funding for Early Childhood Intervention services totals \$372.8 million in All Funds, including \$132.8 million in General Revenue Funds, for the 2020–21 biennium. This amount represents an increase of \$83.4 million in All Funds, including \$72.6 million in General Revenue Funds, from 2018–19 biennial spending levels.
- Funding for Integrated Eligibility and Enrollment totals \$1.3 billion in All Funds, including \$432.3 million in General Revenue Funds. This amount is a decrease of \$54.4 million in All Funds, including \$70.1 million in General Revenue Funds, from 2018–19 biennial spending levels. The 2018–19 biennial spending levels include the expenditure of General Revenue Funds that were made available by a matching rate that was more favorable than the rate assumed in the Eighty-fifth Legislature, General Appropriations Act, 2018–19 Biennium, and the associated additional federal matching funds. Funding for Integrated Eligibility and Enrollment is maintained at the lower 2018–19 biennial appropriated level, partially offset by an increase of \$44.9 million in All Funds, including \$30.0 million in General Revenue Funds primarily to retain eligibility-related staffing above the 2018-19 appropriated level.
- Funding for the Office of Inspector General (OIG) totals \$111.8 million in All Funds, including \$46.3 million in General Revenue Funds. This amount is an increase of \$3.2 million in All Funds, including \$0.6 million in General Revenue Funds from 2018–19 biennial spending levels, due primarily to funding provided for an additional 10.0 full-time equivalent positions related to fraud, waste, and abuse investigations and the transfer to OIG of the Subrogation

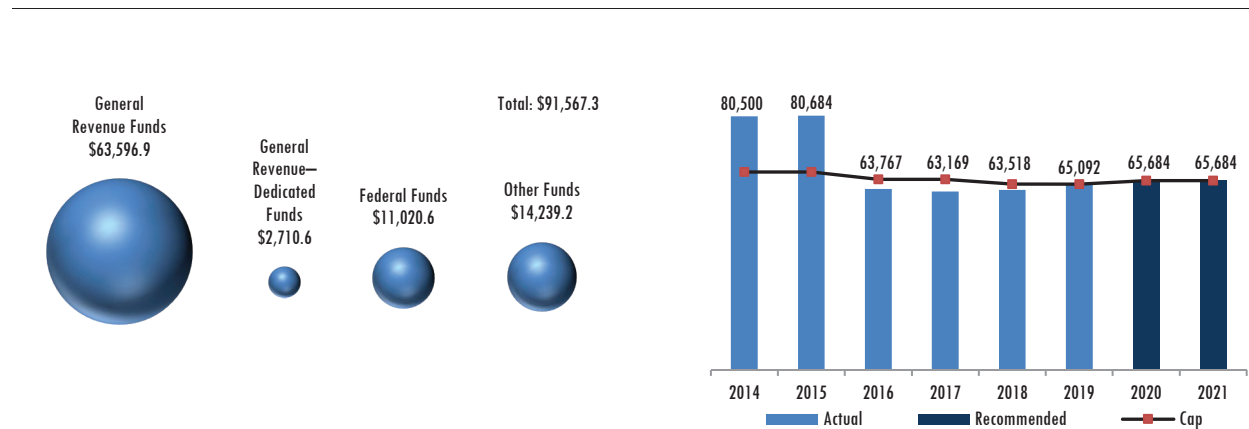
and Recovery program from HHSC, offset by a decrease to maintain the 2018–19 biennial base spending level for direct support services.

- Funding for disaster assistance represents a decrease of \$409.8 million in Federal Funds related to onetime funding for Hurricane Harvey response.
- In addition to assumed supplemental funding mentioned above for Medicaid, the House version of the supplemental bill includes funding for women’s health, state-owned facilities, early childhood intervention services, and children’s hospital rate increases.

ARTICLE III – EDUCATION

FIGURE 41
ARTICLE III – EDUCATION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$56,458.4	\$63,596.9	\$7,138.6	12.6%
General Revenue–Dedicated Funds	\$2,822.5	\$2,710.6	(\$111.9)	(4.0%)
Federal Funds	\$10,802.5	\$11,020.6	\$218.1	2.0%
Other Funds	\$11,145.7	\$14,239.2	\$3,093.5	27.8%
Total, All Methods of Finance	\$81,229.0	\$91,567.3	\$10,338.3	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 III

Public education All Funds appropriations made in House Bill 1, excluding the Teacher Retirement System, the Optional Retirement Program, and end-of-article benefits, total \$64.8 billion for the 2020–21 biennium. General Revenue Funds total \$43.3 billion, and Other Funds total \$10.8 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 House supplemental appropriations bill includes \$636.0 million in Economic Stabilization Funds for 2020–21 costs attributable to Harvey.

The majority of Public Education funding consists of state aid for school districts and charter schools through the Foundation School Program (FSP) system. FSP funding is driven by statutory formulas, amounts specified in the General Appropriations Act, and projected enrollment and district property value amounts, including the following areas:

- Funding of \$52.6 billion in All Funds is provided for state aid to school districts and charter schools through the FSP in the 2020–21 biennium. General Revenue Funds for the FSP total \$41.3 billion, which represents an increase of \$7.0 billion from the 2018–19 biennium. In addition, the House version of the supplemental bill includes \$636.0 million in Economic Stabilization Funds in the 2020–21 biennium and \$271.3 million in the 2018–19 biennium for FSP costs attributable to Hurricane Harvey.

- General Revenue Funds provided for the FSP represent an increase of \$9.0 billion greater than estimated requirements to fund the current law FSP entitlement, contingent on enactment of House Bill 3 or similar legislation supporting school districts and charter schools by increasing the state share of the FSP, enhancing district entitlement, decreasing recapture, and providing local property tax relief, while maintaining an equitable system of school finance. Funding for current law FSP entitlement includes an estimated \$2.4 billion for student enrollment growth and \$2.2 billion in additional state aid greater than the 2018–19 biennial funding level for the Tier 2 enrichment funding guaranteed yield associated with the Austin Independent School District;
- non-FSP program and administration funding for the 2018–19 biennium includes \$1,928.2 million in General Revenue Funds appropriations, a \$95.8 million decrease compared to the 2016–17 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 \$79.7 million to various programs; and
- an All Funds total of \$65.4 million is provided for school safety items, including \$54.5 million in House Bill 1 for the Texas Education Agency's (TEA) Safe and Healthy Schools Initiative, consisting of \$42.5 million in Other Funds from the Economic Stabilization Fund and \$12.0 million in General Revenue Funds. In addition, The House supplemental appropriations bill provides \$10.9 million for school district reimbursement of post-disaster expenditures. An additional \$50.5 million in General Revenue Funds is provided for TEA's Special Education Supports Initiative to provide grants for compensatory services to students in accordance with the federal Individuals with Disabilities Education Act.

Funding for teacher retirement benefits in House Bill 1 includes \$4.1 billion in All Funds for the state contribution to retirement benefits of the Teacher Retirement System (TRS). 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 Other Funds from the Economic Stabilization Fund to maintain plan year 2019 TRS-Care premiums and benefits for the 2020–21 biennium.

In addition, the House version of the supplemental bill includes a total of \$1.3 billion in All Funds above current law requirements for 2020-21 TRS pension items. Amounts include \$684.0 million in General Revenue Funds to increase the state contribution to achieve actuarial soundness, and \$658.2 million in Economic Stabilization Funds for an additional one-time payment to certain TRS annuitants.

Funding for higher education, excluding end of article benefits, totals \$20.3 billion in All Funds for the 2020–21 biennium, an increase of \$817.5 million, or 4.2 percent from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$17.0 billion, an increase of \$556.9 million, or 3.4 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 \$7.7 billion in General Revenue Funds and \$1.5 billion in statutory tuition in General Revenue–Dedicated Funds. Included in this amount are increases of \$445.9 million in General Revenue Funds and a decrease of \$2.4 million in General Revenue–Dedicated Funds. For most of the higher education formulas, the annual rates are increased from the 2018-19 biennium;
- funding for non-formula support items at all institutions for the 2020–21 biennium totals \$937.2 million in General Revenue Funds, which represents an increase of \$77.4 million from the 2018–19 biennium;
- 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 levels from 2018–19 biennial levels and would support 70 percent of eligible students; and

- funding at the Texas Higher Education Coordinating Board 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 House supplemental appropriations bill includes \$344.4 million in Economic Stabilization Funds to various agencies and institutions of higher education. This includes:

- \$182.5 million for the Texas Research Incentive Program;
- \$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 Campus for abatement and demolition of certain facilities; and
- \$16.0 million to Texas Southern University for deferred maintenance.

Figure 42 shows the All Funds appropriation for each agency in Article III, and **Figure 43** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for some of the agencies in Article III.

FIGURE 42
ARTICLE III – EDUCATION BY AGENCY OR GROUP, ALL FUNDS

(IN MILLIONS)				
FUNCTION	ESTIMATED/ BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
Public Education				
Texas Education Agency	\$55,352.9	\$64,724.9	\$9,372.0	16.9%
School for the Blind and Visually Impaired	\$47.2	\$48.5	\$1.3	2.7%
School for the Deaf	\$58.9	\$74.8	\$16.0	27.2%
Subtotal, Public Education	\$55,459.0	\$64,848.2	\$9,389.3	16.9%
Public Higher Education				
General Academic Institutions	\$7,239.1	\$7,451.6	\$212.5	2.9%
Health Related Institutions	\$3,255.9	\$3,305.3	\$49.4	1.5%
Texas A&M System Agencies	\$1,025.1	\$1,024.9	(\$0.2)	(0.0%)
Texas Higher Education Coordinating Board	\$1,583.6	\$1,676.6	\$93.0	5.9%
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	\$1,873.2	\$78.7	4.4%
Lamar Lower-level Institutions	\$70.1	\$84.8	\$14.7	21.0%
Texas State Technical Colleges	\$166.1	\$168.2	\$2.0	1.2%
Subtotal, Two-Year Institutions	\$2,030.8	\$2,126.1	\$95.4	4.7%
Subtotal, Public Higher Education	\$18,040.4	\$18,854.8	\$814.4	4.5%
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	\$1,415.3	\$3.1	0.2%
Retirement and Group Insurance	\$92.0	\$96.8	\$4.9	5.3%
Social Security and Benefit Replacement Pay	\$631.9	\$660.3	\$28.4	4.5%
Subtotal, Employee Benefits	\$7,837.1	\$7,967.5	\$130.4	1.7%
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	\$118.3	(\$10.3)	(8.0%)
Total, All Functions	\$81,229.0	\$91,567.3	\$10,338.3	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 43
ARTICLE III – EDUCATION BY AGENCY OR GROUP, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
FUNCTION	2018–19	CSHB1 2020–21	CHANGE	CHANGE
Public Education				
Texas Education Agency	\$36,643.2	\$43,267.7	\$6,624.5	18.1%
School for the Blind and Visually Impaired	\$31.5	\$31.7	\$0.2	0.6%
School for the Deaf	\$37.6	\$38.7	\$1.1	2.8%
Subtotal, Public Education	\$36,712.3	\$43,338.0	\$6,625.7	18.0%
Public Higher Education				
General Academic Institutions	\$5,007.7	\$5,267.3	\$259.6	5.2%
Health Related Institutions	\$2,855.0	\$2,985.5	\$130.5	4.6%
Texas A&M System Agencies	\$355.1	\$357.1	\$2.0	0.6%
Texas Higher Education Coordinating Board	\$1,396.9	\$1,529.9	\$133.0	9.5%
Higher Education Funds	\$817.5	\$817.5	\$0.0	0.0%
Two-Year Institutions				
Public Community/Junior Colleges	\$1,794.5	\$1,873.2	\$78.7	4.4%
Lamar Lower-level Institutions	\$54.3	\$71.1	\$16.8	31.0%
Texas State Technical Colleges	\$139.1	\$154.6	\$15.5	11.1%
Subtotal, Two-Year Institutions	\$1,987.9	\$2,098.9	\$111.0	5.6%
Subtotal, Higher Education	\$12,420.1	\$13,056.2	\$636.1	5.1%
Teacher Retirement System	\$5,078.0	\$4,937.1	(\$140.8)	(2.8%)
Optional Retirement Program	\$246.5	\$243.2	(\$3.3)	(1.3%)
Higher Education Employees Group Insurance Contributions	\$1,412.2	\$1,415.3	\$3.1	0.2%
Retirement and Group Insurance	\$74.0	\$76.2	\$2.2	3.0%
Social Security and Benefit Replacement Pay	\$494.4	\$515.6	\$21.2	4.3%
Subtotal, Employee Benefits	\$7,305.1	\$7,187.5	(\$117.6)	(1.6%)
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	\$63,596.9	\$7,138.6	12.6%

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

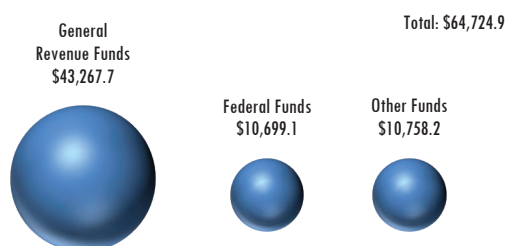
SOURCE: Legislative Budget Board.

TEXAS EDUCATION AGENCY

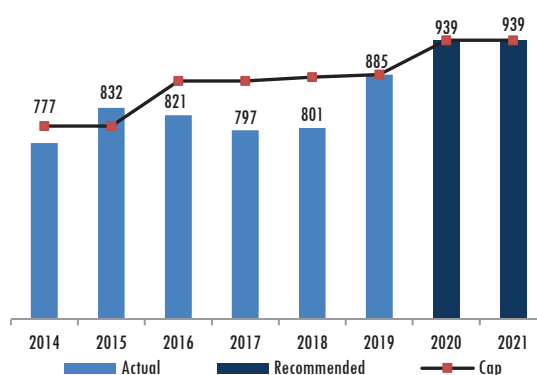
FIGURE 44
TEXAS EDUCATION AGENCY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$36,643.2	\$43,267.7	\$6,624.5	18.1%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$10,494.4	\$10,699.1	\$204.7	2.0%
Other Funds	\$8,215.3	\$10,758.2	\$2,542.9	31.0%
Total, All Methods of Finance	\$55,352.9	\$64,724.9	\$9,372.0	16.9%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTE: 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.

Funding in House Bill 1 for the Texas Education Agency (TEA) totals \$64.7 billion in All Funds and includes \$9.0 billion in General Revenue above amounts currently required for the Foundation School Program (FSP). In addition, the House supplemental appropriations bill includes \$636.0 million in Economic Stabilization Funds for 2020-21 FSP amounts attributable to Hurricane Harvey. Other significant biennial changes include a \$204.7 million Federal Funds increase, primarily in Child Nutrition, partially offset by a net General Revenue Funds decrease of \$95.8 million for non-FSP programs and administration.

HIGHLIGHTS

- Funding of \$52.6 billion in All Funds is provided for state aid to school districts and charter schools through the Foundation School Program (FSP) in the 2020-21 biennium. General Revenue Funds appropriations for the FSP total \$41.3 billion, which represents an increase of \$7.0 billion from the 2018–19 biennium. In addition, the House supplemental appropriations bill includes \$636.0 million in Economic Stabilization Funds in the 2020-21 biennium and \$271.3 million in the 2018-19 biennium for FSP costs attributable to Hurricane Harvey.
- General Revenue Funds for the FSP provide an increase of \$9.0 billion greater than what is estimated to be required to fund the current law FSP entitlement, contingent on enactment of House Bill 3, or similar legislation supporting school districts and charter schools by increasing the state share of the FSP, enhancing district entitlement, decreasing recapture, and providing local property tax relief, while maintaining an equitable system of school finance.

- Funding for non-FSP programs increase All Funds by \$133.2 million and General Revenue Funds by \$79.7 million to establish several new programs and provide increases to existing programs, including the following amounts:
 - \$54.5 million in All Funds and 6.0 full-time-equivalent (FTE) positions for TEA's new Safe and Healthy Schools Initiative, including \$42.5 million in Other Funds from the Economic Stabilization Fund and \$12.0 million in General Revenue Funds. In addition, the House supplemental appropriations bill provides \$10.9 million in Economic Stabilization Funds for school district reimbursement of post-disaster expenditures;
 - \$50.5 million in General Revenue Funds for the new Special Education Supports Initiative to provide grants for compensatory services to students in accordance with the federal Individuals with Disabilities Education Act (IDEA); and
 - General Revenue Funds increases of \$10.0 million for Communities in Schools, \$5.5 million for Adult Charter School, and \$1.7 million for the Texas Advanced Placement Initiative.
- Instructional materials and technology funding is \$1,106.0 million in General Revenue Funds and is based on a distribution rate of 50.0 percent of the Permanent School Fund to the Available School Fund. This funding level is a \$2.6 million increase from 2018–19 biennial appropriations, but a \$166.7 million decrease from 2018–19 biennial budgeted amounts, attributable to \$169.6 million in unexpended balances from fiscal year 2017 carried into the 2018–19 biennium.
- Excluding instructional materials and non-FSP programs, other non-FSP program and administration funding for the 2020–21 biennium includes \$742.5 million in General Revenue Funds appropriations, representing an \$8.7 million decrease related to the expiration of onetime funding and other adjustments.
- The agency's FTE position cap is increased by 54.0 to implement the agency's Special Education Strategic Plan. The additional 54.0 FTE positions will be paid for completely with federal IDEA funds. Including the 6.0 FTE positions for the Safe and Healthy Schools Initiative, this increases TEA's FTE position cap to 939.0

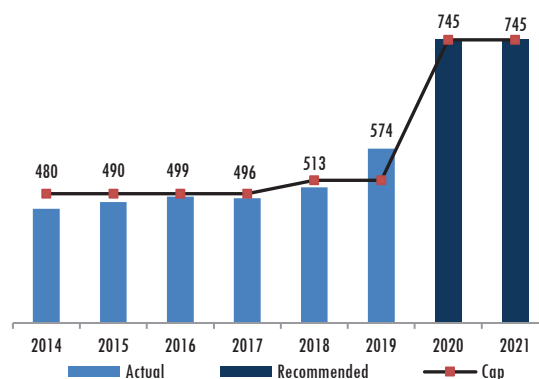
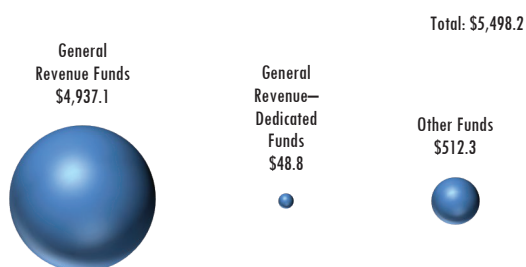
TEACHER RETIREMENT SYSTEM

FIGURE 45
TEACHER RETIREMENT SYSTEM, BY METHOD OF FINANCE

(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$5,078.0	\$4,937.1	(\$140.8)	(2.8%)
General Revenue–Dedicated Funds	\$85.6	\$48.8	(\$36.8)	(43.0%)
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$239.9	\$512.3	\$272.5	113.6%
Total, All Methods of Finance	\$5,403.4	\$5,498.2	\$94.9	1.8%

ALL FUNDS, 2020–21 BIENNium (IN MILLIONS)	FULL-TIME-EQUIVALENT POSITIONS
---	--------------------------------



NOTE: 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.

Funding in House Bill 1 for the Teacher Retirement System (TRS) for the 2020–21 biennium totals \$5.5 billion in All Funds and includes \$230.8 million in Other Funds from the Economic Stabilization Fund for TRS-Care, and \$217.0 million in All Funds to cover projected payroll growth for the 2020–21 biennium, partially offset by a decrease of \$394.6 million in onetime General Revenue Funds for TRS-Care for the 2018–19 biennium. The House supplemental appropriations bill includes an additional \$684.0 million in General Revenue to increase the state contribution to the retirement system to achieve actuarial soundness, and \$658.2 million in Economic Stabilization Funds to provide an additional one-time payment to certain retirees.

Funding consists of state contributions for public and higher education retirement and retired public education employee healthcare benefits (TRS-Care), based on active member payroll amounts. The House supplemental bill includes additional funding implementing an increased state contribution rate necessary to achieve actuarial soundness for the pension system, and an additional one-time payment for certain retirees. Funding also includes an additional \$230.8 million in Other Funds from the Economic Stabilization Fund greater than amounts estimated to be statutorily required for TRS-Care to maintain plan year 2019 premiums and benefits for the 2020–21 biennium. TRS is under Strategic Fiscal Review.

HIGHLIGHTS

- The House version of the supplemental bill includes a total of \$1.3 billion in All Funds above current law requirements for 2020–21 TRS pension items. Amounts include \$684.0 million in General Revenue Funds to increase the state contribution to achieve actuarial soundness, and \$658.2 million in Economic Stabilization Funds for an additional one-time payment to certain TRS annuitants.

- Funding in House Bill 1 includes \$4.9 billion in General Revenue Funds and \$48.8 million in General Revenue–Dedicated Funds. Funding for public education retirement benefits totals an estimated \$3.7 billion in General Revenue Funds for the 2020–21 biennium, a 5.7 percent increase from the 2018–19 biennial base. The increase is attributable to the growth of public education payroll, projected to be an average of 3.9 percent each year of the 2020–21 biennium across public education retirement and TRS-Care strategies.
- Funding for higher education retirement benefits totals an estimated \$368.5 million in All Funds for the 2020–21 biennium, an 11.8 percent decrease from the 2018–19 biennial base due to lower-than-expected growth of higher education retirement contributions covered by General Revenue Funds.
- Funding for TRS-Care for the 2020–21 biennium totals \$1.1 billion in All Funds, a decrease of \$99.5 million, or 8.2 percent, from the 2018–19 biennial base. Funding includes an estimated \$879.4 million in General Revenue Funds to provide statutorily required contributions to TRS-Care equal to 1.25 percent of payroll and \$230.8 million in Other Funds from the Economic Stabilization Fund greater than amounts estimated to be statutorily required to maintain plan year 2019 TRS-Care premiums and benefit levels for the 2020–21 biennium. The biennial funding decrease is due to onetime additional TRS-Care funding of \$394.6 million in General Revenue Funds in the 2018–19 biennial base, partially offset by \$64.4 million in General Revenue Funds of projected public education payroll growth and the additional \$230.8 million from the Economic Stabilization Fund.
- Funding for administrative operations, which are supported solely by the TRS Pension Trust Fund (Other Funds), totals \$272.5 million, a 17.7 percent increase from the 2018–19 biennial base. The increase for administrative operations represents the full biennial costs of 94.0 additional full-time-equivalent positions authorized by the TRS Board during the 2018–19 biennium for benefits services, investment management, and administrative support functions; an additional 127.0 full-time-equivalent positions for investment management, customer service, and administrative support functions in the 2020–21 biennium; and \$3.0 million for call center consolidation at the agency’s headquarters.

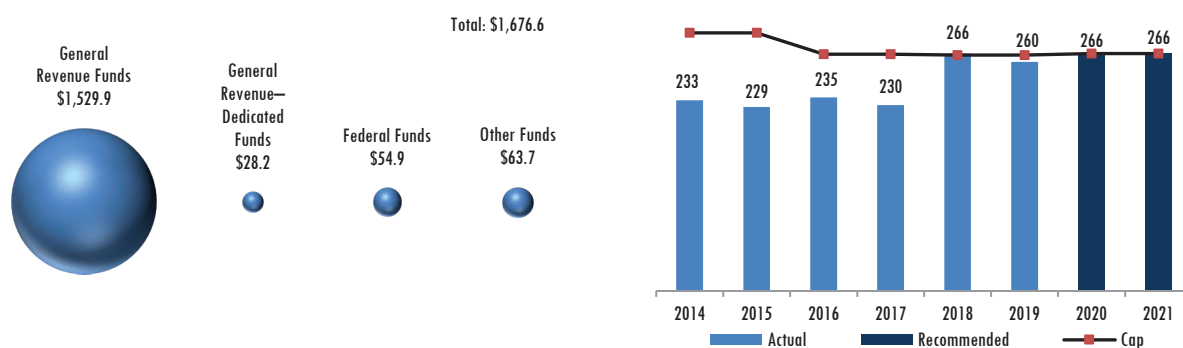
TEXAS HIGHER EDUCATION COORDINATING BOARD

FIGURE 46
TEXAS HIGHER EDUCATION COORDINATING BOARD, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$1,396.9	\$1,529.9	\$133.0	9.5%
General Revenue–Dedicated Funds	\$45.3	\$28.2	(\$17.2)	(37.9%)
Federal Funds	\$60.3	\$54.9	(\$5.5)	(9.1%)
Other Funds	\$81.1	\$63.7	(\$17.4)	(21.4%)
Total, All Methods of Finance	\$1,583.6	\$1,676.6	\$93.0	5.9%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTE: 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.

Funding for the Texas Higher Education Coordinating Board for the 2020–21 biennium totals \$1.7 billion in All Funds, a \$93.0 million, or 5.9 percent, increase compared to 2018–19 biennial funding levels. Funding includes \$1.5 billion in General Revenue Funds, an increase of \$133.0 million, or 9.5 percent, compared to 2018–19 biennial funding levels.

HIGHLIGHTS

- Funding for the TEXAS Grant Program totals \$866.4 million, an increase of \$80.0 million in General Revenue Funds levels from 2018–19 biennial levels and would support 70.0 percent of eligible students.
- Funding includes 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.
- Funding for the Tuition Equalization Grant Program totals \$178.6 million, an increase of \$6.8 million in General Revenue Funds from 2018–19 biennial levels.
- Funding provides \$1.0 million in Economic Stabilization Funds for information technology modernization.
- Funding provides \$0.2 million in General Revenue Funds for the B-On-Time Program – Private, a decrease of \$7.1 million in General Revenue Funds. Appropriations support only renewal awards in the program at private institutions during the 2020–21 biennium.

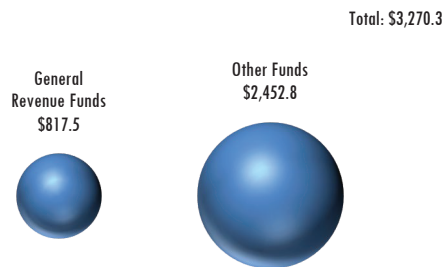
- Funding for the B-On-Time Program – Public include \$1.0 million in General Revenue–Dedicated Funds from Account No. 5103, Texas B-On-Time Student Loan, to support renewal awards for students attending public institutions of higher education, a decrease of \$17.2 million from 2018–19 biennial levels.
- Funding provides \$72.4 million in General Revenue Funds for Baylor College of Medicine Undergraduate Medical Education, a decrease of \$3.7 million from the 2018–19 biennial funding levels.
- Funding provides \$16.8 million in General Revenue Funds for Baylor College of Medicine Graduate Medical Education, an increase of \$1.4 million from the 2018–19 biennial funding levels.
- Funding represents a decrease of \$3.2 million in General Revenue Funds due to phase-out of the Top Ten Percent Scholarship Program.
- Funding represents a decrease of \$2.5 million in General Revenue Funds due to the transfer of funding for the Texas Community College Consortium to Angelina Community College.
- Funds for the Texas Research Incentive Program, \$35.0 million, maintain the General Revenue Funds levels from the 2018–19 biennium.
- Funding represents a \$5.5 million decrease in Federal Funds, primarily due the discontinuation of the Teacher Quality Grant Program.
- Funding represents a \$17.4 million decrease in Other Funds, primarily from aligning funding levels with projected distributions from certain tobacco funds.
- The House version of the supplemental bill includes \$182.5 million in Economic Stabilization Funds for the Texas Research Incentive Program.

HIGHER EDUCATION FUNDS

FIGURE 47
HIGHER EDUCATION FUNDS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$817.5	\$817.5	\$0.0	0.0%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$2,088.5	\$2,452.8	\$364.3	17.4%
Total, All Methods of Finance	\$2,906.0	\$3,270.3	\$364.3	12.5%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)



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.

Funding for the Available University Fund (AUF) for the 2020–21 biennium totals an estimated \$2.4 billion in Other Funds, which is an increase of \$359.9 million. The increase in funding is due primarily to anticipated growth in the value of the Permanent University Fund (PUF) projected by the University of Texas Investment Management Company. The PUF is a state endowment fund that contributes to the support of most institutions and agencies of The University of Texas (UT) and Texas A&M University (TAMU) systems. Annual distributions are made from the PUF to the AUF as approved by the UT System’s Board of Regents in accordance with the Texas Constitution and Board of Regents’ policy. The estimated \$2.4 billion in AUF appropriations for the 2020–21 biennium are based on the Board of Regents’ policy rate of 5.0 percent for the annual distributions.

The Higher Education Fund (HEF) is a General Revenue Fund appropriation dedicated by the Texas Constitution to support certain capital costs at institutions of higher education that are not eligible to receive funding from the AUF. Funding for the HEF for the 2020–21 biennium totals \$787.5 million in General Revenue Funds, which represents no change from the 2018–19 biennium.

Funding for the Support for Military and Veterans Exemptions for the 2020–21 biennium totals an estimated \$47.8 million in All Funds, which includes an increase of \$0.5 million in Other Funds from the 2018–19 biennium. The All Funds include \$17.8 million in Other Funds from the Permanent Fund Supporting Military and Veterans Exemptions (MVE) and \$30.0 million in General Revenue Funds. The increase in funding is due to anticipated growth of the MVE projected by the Texas Treasury Safekeeping and Trust Company (TTSTC).

Funding for the Available National Research University Fund (ANRUF) for the 2020–21 biennium totals an estimated \$50.2 million in Other Funds, which is an increase of \$4.0 million from the 2018–19 biennium. The increase in funding is due to anticipated growth of the ANRUF projected by the TTSTC.

HIGHLIGHTS

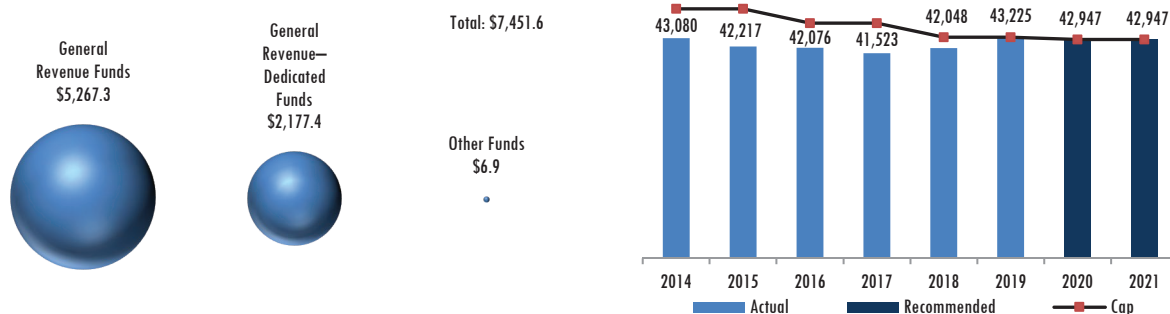
- The Texas Constitution requires the Legislature to review the HEF formula allocation every 10 years and may adjust the amount and allocation of the HEF appropriation once every five years. The Texas Higher Education Coordinating Board (THECB) has completed a five-year study required by statute that recommends a reallocation of the HEF for fiscal year 2021 to account for fall 2017 space projection and campus condition data. The current allocation amounts for HEF-eligible institutions are listed in the Texas Education Code, Chapter 62, Subchapter B. An adjustment to the allocation amounts for fiscal years 2021 to 2025 would require enactment of legislation to amend current statute.
- The Eighty-third Legislature, Regular Session, 2013, established the MVE to help institutions of higher education offset the waived tuition and fee revenue from the Hazlewood Legacy Program as defined in the Texas Education Code. TTSTC administers the MVE and determines the amount available for annual distribution and appropriation from the fund in accordance with policy adopted by the Comptroller of Public Accounts. For the 2020–21 biennium, TTSTC projects the distribution rate to be 3.5 percent.
- The distribution of ANRUF appropriations and the eligibility requirements are set in the Texas Constitution, Article VII, Section 20, and the Texas Education Code, Subchapter G. Of the total ANRUF appropriations, each eligible institution receives a fiscal year distribution amount equal to the sum of: (1) one-seventh of the total available; and (2) an equal share of any amount remaining after distributions are calculated, not to exceed one-fourth of the remaining amount. The University of Texas at Dallas qualified as an eligible emerging research university consistent with THECB's eligibility requirements and received its first distribution from the ANRUF during fiscal year 2018. Currently, The University of Houston, Texas Tech University, and The University of Texas at Dallas are eligible to receive ANRUF appropriations and are projected to each receive \$16.7 million for the 2020–21 biennium.

GENERAL ACADEMIC INSTITUTIONS

FIGURE 48
GENERAL ACADEMIC INSTITUTIONS, BY METHOD OF FINANCE

(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$5,007.7	\$5,267.3	\$259.6	5.2%
General Revenue–Dedicated Funds	\$2,214.3	\$2,177.4	(\$36.9)	(1.7%)
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$17.0	\$6.9	(\$10.1)	(59.4%)
Total, All Methods of Finance	\$7,239.1	\$7,451.6	\$212.5	2.9%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTE: 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.

Funding for the general academic institutions and university system offices for the 2020–21 biennium totals \$7.6 billion in All Funds, a \$212.5 million increase compared to the 2018–19 biennial base. Included in this funding is \$5.3 billion in General Revenue Funds, which is a \$259.6 million, or 5.2 percent, increase compared to 2018–19 biennial funding levels.

HIGHLIGHTS

- Appropriations provide \$3.6 billion in General Revenue Funds for the Instruction and Operations and the Infrastructure Support formulas, an increase of \$208.1 million from the 2018–19 biennium. Formula amounts for the 2020–21 biennium provide for an increase in the All Funds Instruction and Operations Formula rate from \$55.82 per weighted semester credit hour to \$56.97. Formula amounts for the Infrastructure Formula also increase the All Funds rate from \$5.41 per predicted square foot to \$5.52. The small institution supplement headcount threshold is also increased from 10,000 students to 20,000 students, resulting in an increase of \$19.5 million from the 2018–19 biennium.
- Funding for the 2020–21 biennium includes \$147.1 million in General Revenue Funds appropriations to The University of Texas at Austin and Texas A&M University through the Texas Research University Fund (TRUF). Appropriations to the TRUF increase the General Revenue Funds amounts to 2016–17 funding levels.
- Funding provides state support for the eight emerging research universities through: (1) \$35.0 million in General Revenue Funds for the Texas Research Incentive Program (TRIP); and (2) \$117.1 million in General Revenue Funds for the Core Research Support Fund (CRS). Appropriations for TRIP are made to the Texas Higher Education Coordinating Board and are awarded to the institutions based on the receipt of private donations. Funding for CRS is appropriated

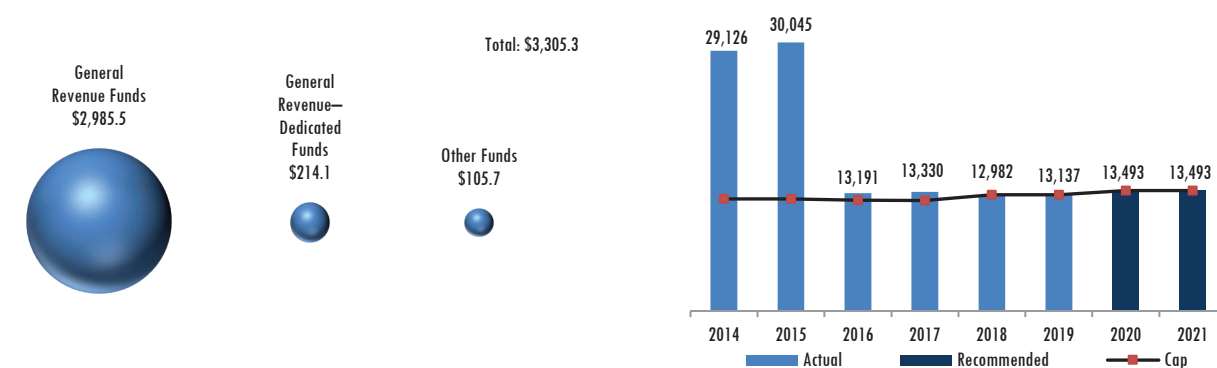
directly to the eight emerging research universities within their respective bill patterns. CRS funding for the 2020–21 biennium increases the amounts to the 2016-17 General Revenue funding level.

- Funding also provides for \$14.3 million in General Revenue Funds for the Comprehensive Research Fund (CRF) to support research at general academic institutions, excluding The University of Texas at Austin, Texas A&M University, and the eight emerging research universities. CRF appropriations are also increased to the 2016-17 General Revenue funding level.
- Non-formula support item funding totals \$483.1 million, an increase of \$46.4 million in General Revenue Funds for non-formula support items at general academic institutions and university system offices.
- Funding includes \$696.0 million in General Revenue Funds for tuition revenue bond debt service for previously authorized projects.
- The House version of the supplemental bill for the General Academic Institutions includes \$53.7 million from the Economic Stabilization Fund in the following amounts:
 - \$16.0 million for deferred maintenance at Texas Southern University; and
 - \$37.7 million for Hurricane Harvey related expenses at The University of Texas at Austin’s Marine Science Institute, University of Houston, University of Houston – Clear Lake, University of Houston – Downtown, University of Houston – Victoria, and Lamar University.

HEALTH RELATED INSTITUTIONS

FIGURE 49
HEALTH RELATED INSTITUTIONS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	CSHB1	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	2020–21	CHANGE	CHANGE
General Revenue Funds	\$2,855.0	\$2,985.5	\$130.5	4.6%
General Revenue–Dedicated Funds	\$224.7	\$214.1	(\$10.6)	(4.7%)
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$176.2	\$105.7	(\$70.5)	(40.0%)
Total, All Methods of Finance	\$3,255.9	\$3,305.3	\$49.4	1.5%



NOTES:

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

(2) The actual full-time-equivalent positions for fiscal years 2014 and 2015 include positions funded with patient income.

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

Funding for the health related institutions (HRI) for the 2020–21 biennium totals \$3.3 billion in All Funds, an increase of \$49.4 million from the 2018–19 biennium. Of this funding, \$3.0 billion is composed of General Revenue Funds, an increase of \$130.5 million from the 2018–19 biennium. The increase in General Revenue Funds is due primarily to increased formula rates, enrollment growth at the health related institutions and to increased formula funding for the new medical schools at The University of Texas at Austin and The University of Texas Rio Grande Valley, which are fully operational.

HIGHLIGHTS

- Funding for the health related institutions includes appropriations to 13 institutions. Included in these appropriations is funding for The University of Texas at Austin Dell Medical School through The University of Texas at Austin's bill pattern, and for The University of Texas Rio Grande Valley School of Medicine through a new bill pattern. Appropriations to Baylor College of Medicine are made in the bill pattern for the Higher Education Coordinating Board but are included in formula amounts, which are discussed in the following sections.
- Formula funding recommendations increase 2018–19 rates for the 12 health related institutions. Funding provides \$2.0 billion in General Revenue Funds for the six HRI formulas that were funded in the 2018–19 biennium: the Instruction and Operations (I&O) Support formula, Infrastructure Support formula, Research Enhancement formula, Graduate Medical Education (GME) formula, and two mission-specific formulas (The University of Texas M.D. Anderson's Cancer Center Operations formula and The University of Texas Health Science Center at Tyler's Chest Disease formula). House Bill 1 also establishes a new mission-specific formula for The University of Texas Southwestern Medical Center, the

Performance Based Research Operations formula, which is funded with \$21.8 million reallocated from Hold Harmless funds appropriated to the institution during the 2018–19 biennium. The Performance Based Research Operations formula is a pilot formula for the 2020–21 biennium. Formula funding is an increase of \$134.7 million in General Revenue Funds, or 7.3 percent, from the 2018–19 biennium.

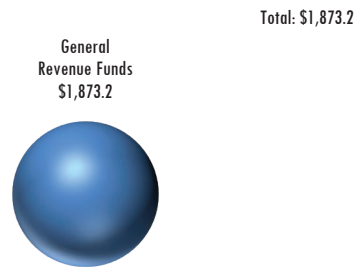
- Funding provides \$1.2 billion in General Revenue Funds for the I&O Support formula, an increase of \$72.0 million from the 2018–19 biennium. The 2020–21 formula amounts increase the annual I&O rate to \$9,692 from \$9,431 in the 2018–19 biennium. Additionally, formula funding recommendations increase the weight of Biomedical Informatics in the I&O formula to 1.75 from 1.0. The I&O formula includes \$40.1 million in General Revenue Funds for a small class supplement. The supplement provides additional funding for instructional programs with enrollments of fewer than 200 students at remote locations and for instructional programs at The University of Texas Health Science Center at Tyler’s main campus. Appropriations provide \$258.8 million in General Revenue Funds for the Infrastructure formula, an increase of \$8.7 million from the 2018–19 biennium. The 2020–21 formula amounts increase the annual Infrastructure rate to \$6.27 for all institutions from \$6.11 in the 2018–19 biennium.
- Funding at the Higher Education Coordinating Board includes \$73.3 million in General Revenue Funds for Baylor College of Medicine Undergraduate Medical Education, a decrease of \$2.8 million from the 2018–19 biennium.
- Funding provides \$84.5 million in General Revenue Funds for the Research Enhancement formula, an increase of \$3.9 million from the 2018–19 biennium. The 2020–21 formula amounts increase the annual Research Enhancement rate to 1.22 percent plus the base rate of \$1.4 million from 1.16 percent plus the base rate in the 2018–19 biennium.
- Funding provides \$98.5 million in General Revenue Funds appropriated to health related institutions and Baylor College of Medicine for the GME formula, an increase of \$8.4 million from the 2018–19 biennium. The 2020–21 biennial formula amounts increase the annual GME rate to \$5,992 per medical resident from \$5,824 in the 2018–19 biennium.
- Funding provides \$280.8 million in General Revenue Funds for the Cancer Center Operations formula for The University of Texas M.D. Anderson Cancer Center, an increase of \$16.0 million, or 6.0 percent, from the 2018–19 biennium. The 2020–21 biennial formula amounts for the Cancer Center Operations formula increase the annual rate to \$1,697 per Texas cancer patient from \$1,650 in the 2018–19 biennium. Funding provides \$62.2 million in General Revenue Funds for the Chest Disease Center Operations formula for The University of Texas Health Science Center at Tyler, an increase of \$3.8 million, or 6.5 percent, from the 2018–19 biennium. The 2020–21 biennial formula amounts for the Chest Disease Center Operations formula increase the annual rate to \$189 per Texas chest disease patient from \$187 in the 2018–19 biennium.
- Funding for non-formula support items totals \$425.1 million, an increase of \$27.5 million from 2018–19 biennial General Revenue Funds base funding.
- Funding provides \$292.2 million in General Revenue Funds for tuition revenue bond debt service, a decrease of \$0.5 million from the 2018–19 biennium. The decrease is due to incremental decreases in tuition revenue bond debt service obligations.

PUBLIC COMMUNITY AND JUNIOR COLLEGES

FIGURE 50
PUBLIC COMMUNITY AND JUNIOR COLLEGES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$1,794.5	\$1,873.2	\$78.7	4.4%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$0.0	\$0.0	\$0.0	N/A
Total, All Methods of Finance	\$1,794.5	\$1,873.2	\$78.7	4.4%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)



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.

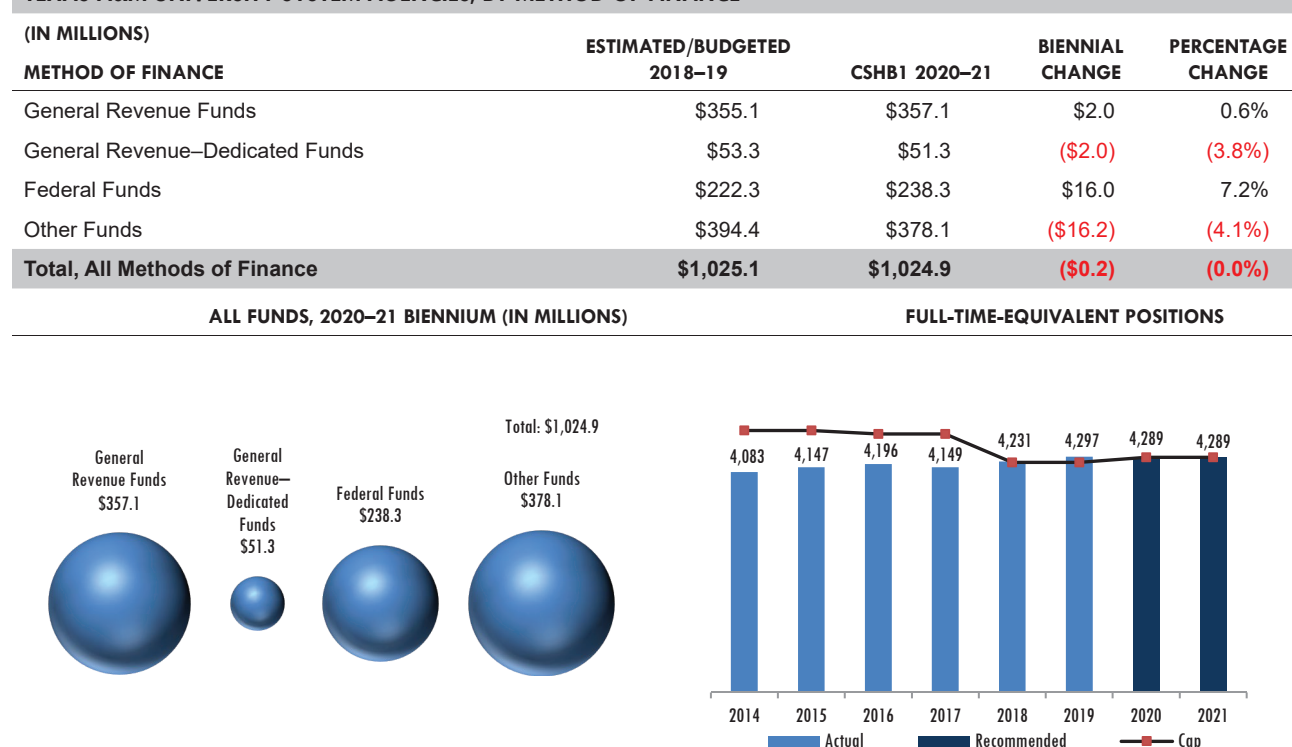
Funding for public community and junior colleges for the 2020–21 biennium totals \$1.87 billion in General Revenue Funds, an increase of \$78.7 million from 2018–19 biennial levels.

HIGHLIGHTS

- Formula funding totals \$1.84 billion for the 2020–21 biennium, an increase of \$74.7 million from the 2018–19 biennium. Formula funding amounts increase core operations funding from \$1.36 million to \$1.43 million for each community college district, maintain the contact hour rate of \$2.70, and increase the success point rate from \$171.56 to \$215.
- Funding for non-formula support items total \$30.6 million in General Revenue Funds for the 2020–21 biennium, an increase of \$3.5 million from the 2018–19 biennium.
- Funding for bachelor of applied technology programs total \$3.3 million for the 2020–21 biennium, an increase of \$0.5 million from the 2018–19 biennium, due to a 16.3 percent increase in semester credit hours in these programs and an increase in the Instructions & Operations General Revenue Funds rate used by general academic institutions.
- The House version of the supplemental bill appropriates \$13.1 million from the economic stabilization fund to the Lone Star College System for expenses related to Hurricane Harvey.
- No information on full-time-equivalent positions is included because these positions are not appropriated for public community and junior colleges.

TEXAS A&M UNIVERSITY SYSTEM AGENCIES

FIGURE 51
TEXAS A&M UNIVERSITY SYSTEM AGENCIES, BY METHOD OF FINANCE



NOTE: 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.

Funding for the Texas A&M University System (TAMU) agencies for the 2020–21 biennium totals \$1.0 billion in All Funds, a decrease of \$0.2 million from the 2018–19 biennium. Of this funding, \$408.4 million is composed of General Revenue Funds and General Revenue–Dedicated Funds, a decrease of \$43,735 from the 2018–19 biennium. Texas A&M Veterinary Medical Diagnostic Laboratory is under Strategic Fiscal Review.

HIGHLIGHTS

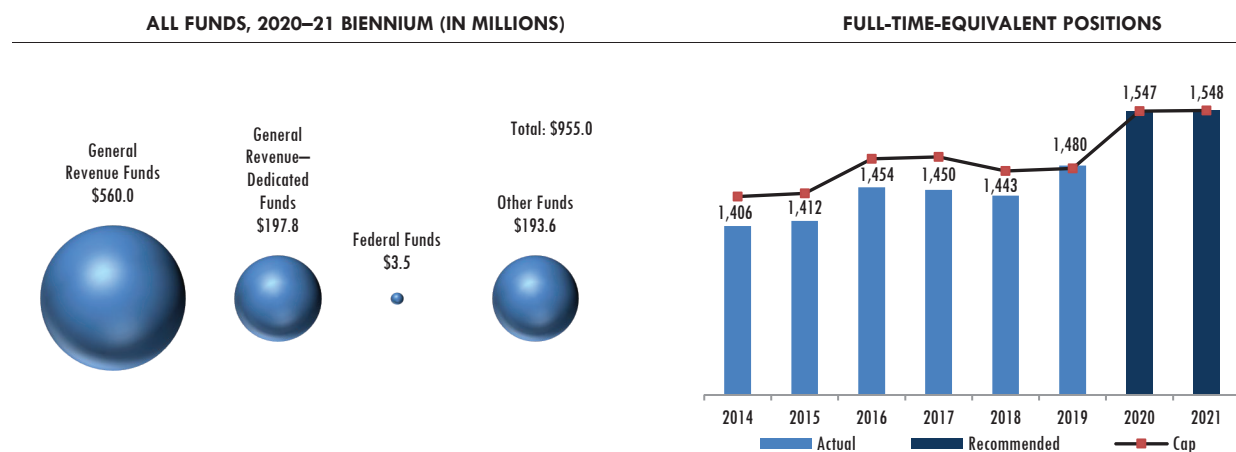
- The TAMU agencies are state agencies that are part of the Texas A&M University System and have a broad statewide mission encompassing research, teaching, and public service. TAMU System agencies include the following agencies: Texas A&M AgriLife Research (TAR), Texas A&M AgriLife Extension Service (Extension), Texas A&M Forest Service (TFS), Texas A&M Engineering Experiment Station (TEES), Texas A&M Engineering Extension Service (TEEX), and Texas A&M Transportation Institute (TTI).
- TAR conducts research in agricultural, environmental, and life sciences. This function includes research on livestock, plants, crops, and processing techniques to ensure that Texas' agriculture system is competitive.
- Extension provides educational and training programs through a network of county extension agents across the state. The agency's program areas include health and safety, agriculture and natural resources, and leadership development.
- TEES conducts research, provides continuing education, and develops technology to assist industry and the engineering workforce. TEES performs engineering and technology research on water, energy, manufacturing, and the environment across the state.

- TEEX provides workforce training programs and technical assistance for first responders to enhance public safety and security (e.g., fire protection, law enforcement, water and wastewater, public works, environmental quality, etc.). TEEX also provides emergency response, search, and rescue operations statewide through Texas Task Force 1 and 2.
- TTI identifies and solves transportation problems through research and testing. TTI also develops and implements technologies for transportation needs and works closely with the Texas Department of Transportation.
- TFS provides wildfire prevention, detection, and suppression service and administers the statewide Texas Wildfire Protection Plan. TFS also assists during all-hazard emergencies such as flooding, ice storms, tornados, and hurricanes. TFS is involved in reforestation efforts and urban forestry programs, and conducts applied research on forest insects and diseases.
- Funding for TFS includes a \$2.0 million decrease in General Revenue–Dedicated Funds and a \$2.0 million increase in General Revenue Funds due to a method-of-finance swap between the General Revenue Funds Account No. 8042, Insurance Companies Maintenance Tax and Insurance Department Fees, and General Revenue–Dedicated Account No. 5064, Volunteer Fire Department Assistance. These funds are used for Texas Intrastate Fire Mutual Aid System grants.
- The House version of the supplemental bill includes \$57.4 million from the Economic Stabilization Fund. Of this amount, \$2.5 million is to reimburse costs related to the emergency response during Hurricane Harvey and \$54.9 million is to reimburse costs related to wildfire responses throughout the state.
- Funding for all seven agencies includes infrastructure support inside Brazos County that aligns with the general academic institutions' Infrastructure Formula rate.

ARTICLE IV – JUDICIARY

FIGURE 52
ARTICLE IV – JUDICIARY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED			
METHOD OF FINANCE	2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$490.8	\$560.0	\$69.2	14.1%
General Revenue–Dedicated Funds	\$141.1	\$197.8	\$56.7	40.2%
Federal Funds	\$4.0	\$3.5	(\$0.5)	(12.4%)
Other Funds	\$221.2	\$193.6	(\$27.6)	(12.5%)
Total, All Methods of Finance	\$857.1	\$955.0	\$97.9	11.4%



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 \$955.0 million in All Funds for the 2020–21 biennium, which is an increase of \$97.9 million, or 11.4 percent, from the 2018–19 biennium. General Revenue Funds total \$560.0 million, which is an increase of \$69.2 million, or 14.1 percent from the 2018–19 biennium. General Revenue–Dedicated Funds total \$197.8 million, which is an increase of \$56.7 million, or 40.2 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 \$243.6 million in All Funds, an increase of \$27.2 million, for judicial salaries. The increase is due to a 10.0 percent judicial salary increase contingent on the enactment of House Bill 2384, or similar legislation, by the Eighty-sixth Legislature, as well as the biennialization of funding for new statutory county courts and new district courts.
- Funding provides \$104.4 million in All Funds, an increase of \$38.0 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 includes \$10.0 million in General Revenue funding for grants to public defender offices to create a pilot project for the early identification and specialized representation of indigent defendants with a mental illness.

- Funding provides an estimated \$75.3 million in All Funds, a net decrease of \$33.4 million from 2018–19 biennial levels, for the Supreme Court of Texas to provide basic civil legal services to eligible recipients. This amount includes a General Revenue Fund increase of \$21.8 million to return this funding for the program to 2010-11 biennial spending levels; \$6.0 million to provide basic civil legal services to veterans and their families; and a \$55.6 million decrease in Other Funds from the Judicial Fund No. 573 due to onetime civil penalties awarded to the state during the 2018–19 biennium that no longer are available.
- 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, and fund statewide judicial technology projects identified by the Office of Court Administration.
- Funding provides \$29.7 million in Economic Stabilization Fund funding to create a statewide case management system to provide magistrates, primarily in counties with a population of 20,000 or less, access to information.
- 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 of 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 \$12.7 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 53 shows the All Funds appropriation for each agency in Article IV, and **Figure 54** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for the Office of Court Administration, Texas Judicial Council.

FIGURE 53
ARTICLE IV – JUDICIARY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
FUNCTION	2018–19	CSHB1 2020–21	CHANGE	CHANGE
Supreme Court of Texas	\$127.4	\$95.2	(\$32.2)	(25.3%)
Court of Criminal Appeals	\$37.4	\$40.9	\$3.4	9.2%
First Court of Appeals District, Houston	\$9.4	\$9.7	\$0.3	2.9%
Second Court of Appeals District, Fort Worth	\$7.3	\$7.5	\$0.2	3.0%
Third Court of Appeals District, Austin	\$6.1	\$6.3	\$0.2	3.0%
Fourth Court of Appeals District, San Antonio	\$7.3	\$7.5	\$0.2	2.9%
Fifth Court of Appeals District, Dallas	\$13.0	\$13.4	\$0.4	3.1%
Sixth Court of Appeals District, Texarkana	\$3.3	\$3.4	\$0.1	2.8%
Seventh Court of Appeals District, Amarillo	\$4.1	\$4.3	\$0.1	3.0%
Eighth Court of Appeals District, El Paso	\$3.4	\$3.5	\$0.1	2.7%
Ninth Court of Appeals District, Beaumont	\$4.1	\$4.3	\$0.1	3.0%
Tenth Court of Appeals District, Waco	\$3.4	\$3.4	(\$0.0)	(0.4%)
Eleventh Court of Appeals District, Eastland	\$3.3	\$3.4	\$0.1	3.4%
Twelfth Court of Appeals District, Tyler	\$3.3	\$3.4	\$0.1	2.8%
Thirteenth Court of Appeals District, Corpus Christi-Edinburg	\$6.1	\$6.3	\$0.2	3.0%
Fourteenth Court of Appeals District, Houston	\$9.7	\$10.0	\$0.3	2.9%
Office of Court Administration, Texas Judicial Council	\$155.3	\$247.1	\$91.7	59.1%
Office of Capital Writs	\$2.7	\$4.4	\$1.7	63.3%
Office of the State Prosecuting Attorney	\$0.9	\$0.9	\$0.1	8.5%
State Law Library	\$2.1	\$2.2	\$0.2	8.6%
State Commission on Judicial Conduct	\$2.3	\$2.6	\$0.3	14.1%
Judiciary Section, Comptroller's Department	\$315.3	\$341.6	\$26.3	8.3%
Subtotal, Judiciary	\$727.2	\$821.0	\$93.8	12.9%
Employee Benefits and Debt Service	\$151.8	\$155.2	\$3.4	2.3%
Less Interagency Contracts	\$21.9	\$21.2	(\$0.7)	(3.0%)
Total, All Functions	\$857.1	\$955.0	\$97.9	11.4%

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 54
ARTICLE IV – JUDICIARY, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
FUNCTION	2018–19	CSHB1 2020–21	CHANGE	CHANGE
Supreme Court of Texas	\$17.7	\$41.1	\$23.4	131.9%
Court of Criminal Appeals	\$12.8	\$13.1	\$0.3	2.4%
First Court of Appeals District, Houston	\$8.8	\$9.0	\$0.3	3.2%
Second Court of Appeals District, Fort Worth	\$6.7	\$6.9	\$0.2	3.2%
Third Court of Appeals District, Austin	\$5.7	\$5.8	\$0.2	3.3%
Fourth Court of Appeals District, San Antonio	\$6.7	\$6.9	\$0.2	3.2%
Fifth Court of Appeals District, Dallas	\$12.0	\$12.4	\$0.4	3.3%
Sixth Court of Appeals District, Texarkana	\$3.1	\$3.2	\$0.1	3.0%
Seventh Court of Appeals District, Amarillo	\$3.9	\$4.0	\$0.1	3.2%
Eighth Court of Appeals District, El Paso	\$3.1	\$3.2	\$0.1	3.0%
Ninth Court of Appeals District, Beaumont	\$3.9	\$4.0	\$0.1	3.2%
Tenth Court of Appeals District, Waco	\$3.2	\$3.2	(\$0.0)	(0.2%)
Eleventh Court of Appeals District, Eastland	\$3.1	\$3.2	\$0.1	3.0%
Twelfth Court of Appeals District, Tyler	\$3.1	\$3.2	\$0.1	3.0%
Thirteenth Court of Appeals District, Corpus Christi-Edinburg	\$5.6	\$5.8	\$0.2	3.3%
Fourteenth Court of Appeals District, Houston	\$8.8	\$9.0	\$0.3	3.2%
Office of Court Administration, Texas Judicial Council	\$38.0	\$50.2	\$12.2	32.1%
Office of Capital Writs	\$0.0	\$0.0	\$0.0	N/A
Office of the State Prosecuting Attorney	\$0.8	\$0.9	\$0.1	8.6%
State Law Library	\$2.0	\$2.2	\$0.2	9.9%
State Commission on Judicial Conduct	\$2.3	\$2.6	\$0.3	14.1%
Judiciary Section, Comptroller's Department	\$200.9	\$227.9	\$27.0	13.4%
Subtotal, Judiciary	\$352.4	\$418.2	\$65.8	18.7%
Employee Benefits and Debt Service	\$138.4	\$141.8	\$3.4	2.5%
Total, All Functions	\$490.8	\$560.0	\$69.2	14.1%

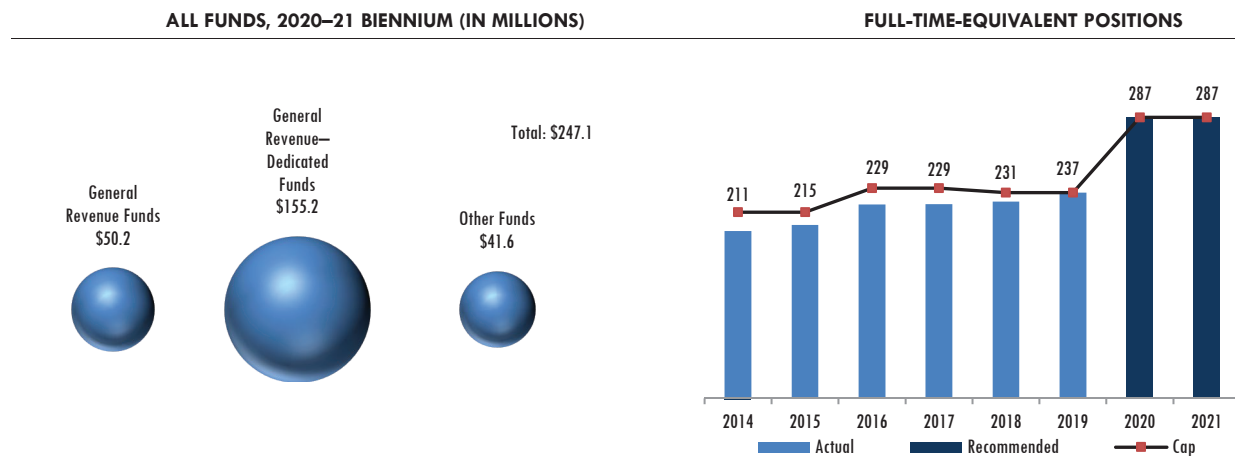
NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL

FIGURE 55
OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$38.0	\$50.2	\$12.2	32.1%
General Revenue–Dedicated Funds	\$103.7	\$155.2	\$51.5	49.7%
Federal Funds	\$0.5	\$0.0	(\$0.5)	(100.0%)
Other Funds	\$13.1	\$41.6	\$28.5	218.2%
Total, All Methods of Finance	\$155.3	\$247.1	\$91.7	59.1%



NOTE: 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.

All Funds for the Office of Court Administration, Texas Judicial Council for the 2020–21 biennium total \$247.1 million, which is an increase of \$91.7 million, or 59.1 percent, from the 2018–19 biennium. General Revenue Funds total \$50.2 million, which is an increase of \$12.2 million, or 32.1 percent from the 2018–19 biennium. General Revenue–Dedicated Funds total \$155.2 million, which is an increase of \$51.5 million, or 49.7 percent from the 2018–19 biennium. The Office of Court Administration, Texas Judicial Council is under Strategic Fiscal Review.

HIGHLIGHTS

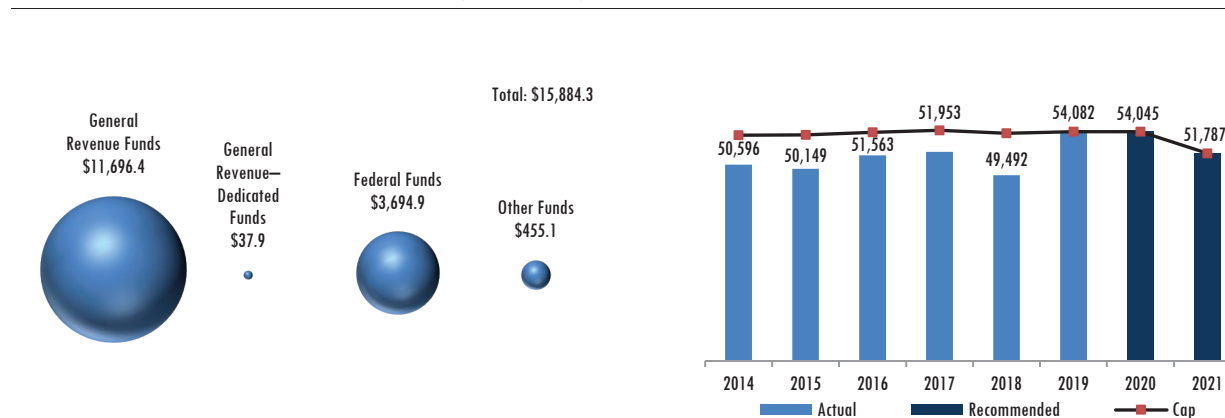
- Funding provides \$104.4 million in All Funds for the Texas Indigent Defense Commission, an increase of \$38.0 million. This funding includes \$94.4 million in General Revenue–Dedicated Funds from Account No. 5073, Fair Defense (Account No. 5073) and \$10.0 million in General Revenue Funds. This funding provides an additional \$28.0 million in Account No. 5073 funding for financial and technical support through grants to counties to develop and maintain indigent defense systems that meet the needs of local communities pursuant to the constitution and state law and an additional \$10.0 million in General Revenue Funding through grants to public defender offices to create a pilot project for the early identification and specialized representation of indigent defendants with a mental illness.
- 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, and fund statewide judicial technology projects identified by the agency.

- Funding provides \$29.7 million in Economic Stabilization Fund funding to create a statewide case management system to provide magistrates, primarily in counties with a population of 20,000 or less, access to information.
- Funding provides \$12.7 million in All Funds, an increase of \$3.4 million, for 33 Child Protection Courts. The funding provides nine additional courts in areas with large caseloads to promote faster case resolution.
- Funding provides \$5.7 million in General Revenue Funds, an increase of \$5.0 million, to provide a Guardianship Compliance Program to assist local courts with reviewing and auditing guardianship filings for elderly and incapacitated persons.

ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE

FIGURE 56
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$11,322.1	\$11,696.4	\$374.2	3.3%
General Revenue–Dedicated Funds	\$42.0	\$37.9	(\$4.1)	(9.8%)
Federal Funds	\$6,748.5	\$3,694.9	(\$3,053.6)	(45.2%)
Other Funds	\$265.9	\$455.1	\$189.3	71.2%
Total, All Methods of Finance	\$18,378.5	\$15,884.3	(\$2,494.2)	(13.6%)



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.

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 \$15.9 billion, which is a decrease of \$2.5 billion or 13.6 percent from the 2018–19 biennial expenditure levels. All Funds decreases are primarily the result of Federal Funds provided for Hurricane Harvey emergency assistance, offset by deferred maintenance, information technology, and juvenile justice restructure funding.

General Revenue Funds and General Revenue–Dedicated Funds for the 2020–21 biennium total \$11.7 billion, which is a \$370.1 million increase, or 3.2 percent from the 2018–19 biennium. General Revenue Funds increases are primarily the result of increases for Correctional Managed Health Care and Correctional Officer and Parole Officer salary increases at the Department of Criminal Justice, increased services and support at the Military Department, and juvenile justice system restructure and Juvenile Correctional Officer salary increases at the Juvenile Justice Department, partially offset by a decrease related to the transfer of Driver License Services to the Department of Motor Vehicles, contingent on legislation.

HIGHLIGHTS

- Funding for the Department of Public Safety (DPS) totals \$5.5 billion in All Funds, which represents an All Funds decrease of \$3.2 billion, or 36.7 percent. Funding includes \$1.8 billion in General Revenue Funds and General Revenue–Dedicated Funds, a decrease of \$90.2 million, or 4.9 percent, compared to 2018–19 biennial funding levels and includes the following items:

- funding for border security at DPS totals \$684.7 million in All Funds, \$435.2 million of which is in the agency's bill pattern in Goal B, Secure Texas. An additional \$111.0 million for border security operations and activities is provided in other agency goals. This amount is a \$9.5 million decrease from the 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
- funding includes \$130.7 million in General Revenue Funds for the Department of Public Safety's Driver License Program, which is a decrease of \$130.1 million in All Funds from the 2018–19 biennium. Funding is decreased for fiscal year 2021 pursuant to the transfer of the Driver License Program to the Department of Motor Vehicles beginning September 1, 2020, contingent upon enactment of legislation.
- Funding for the Department of Criminal Justice for the 2020–21 biennium totals \$7.1 billion in All Funds, which includes an All Funds increase of \$536.4 million or 8.1 percent. The increase is primarily the result of funding for Correctional Managed Health Care (\$199.1 million), Correctional Officer and Parole Officer salary increases (\$168.1 million), deferred maintenance funding (\$100.1 million), funding for video surveillance cameras at all remaining maximum-security units (\$26.0 million), upgrades to the corrections information technology system (\$24.2 million), and expansion of sheltered housing beds at two TDCJ prison units (\$13.0 million).
- Funding for the Texas Juvenile Justice Department for the 2020–21 biennium totals \$677.8 million in All Funds, which is an All Funds increase of \$16.7 million, or 2.5 percent. The All Funds increase is primarily attributable to funding for expansion of services for juvenile offenders (\$19.6 million) and onetime information technology funding (\$10.7 million), offset by decreases in funding for populations at January 2019 projections (\$2.6 million) and deferred maintenance funding (\$7.1 million).
- Funding for the Texas Military Department for the 2020–21 biennium totals \$157.4 million in All Funds, which represents an All Funds decrease of \$65.5 million, or 29.4 percent. The All Funds decrease is primarily attributable to aligning Federal Funds estimates with the federal match associated with the level of state funding provided, Hurricane Harvey disaster assistance funding, and deferred maintenance funding.
- Funding for the Texas Alcoholic Beverage Commission (TABC) for the 2020–21 biennium totals \$111.9 million in All Funds, which includes an All Funds increase of \$12.4 million or 12.5 percent. The All Funds increase is primarily attributable to information technology replacement projects (\$14.3 million), salary increases for certain TABC employees (\$0.3 million), and Centralized Accounting and Payroll Personnel System support (\$0.3 million), offset by decreases for Hurricane Harvey disaster assistance funding (\$1.6) and decreases in Federal Funds and Appropriated Receipts (\$0.4 million).

Figure 57 shows the All Funds appropriation for each agency in Article V, and **Figure 58** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for some of the agencies in Article V.

FIGURE 57
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE BY AGENCY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
FUNCTION	2018–19	CSHB1 2020–21	CHANGE	CHANGE
Alcoholic Beverage Commission	\$99.5	\$111.9	\$12.4	12.5%
Department of Criminal Justice	\$6,606.3	\$7,142.6	\$536.4	8.1%
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	\$677.8	\$16.7	2.5%
Commission on Law Enforcement	\$7.9	\$8.5	\$0.6	7.1%
Texas Military Department	\$222.9	\$157.4	(\$65.5)	(29.4%)
Department of Public Safety	\$8,684.9	\$5,493.6	(\$3,191.4)	(36.7%)
Subtotal, Public Safety and Criminal Justice	\$16,290.3	\$13,598.6	(\$2,691.7)	(16.5%)
Employee Benefits and Debt Service	\$2,405.7	\$2,441.5	\$35.8	1.5%
Less Interagency Contracts	\$317.5	\$155.8	(\$161.7)	(50.9%)
Total, All Functions	\$18,378.5	\$15,884.3	(\$2,494.2)	(13.6%)

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 58
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE BY AGENCY, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
FUNCTION	2018–19	CSHB1 2020–21	CHANGE	CHANGE
Alcoholic Beverage Commission	\$96.2	\$96.1	(\$0.1)	(0.1%)
Department of Criminal Justice	\$6,386.4	\$6,797.4	\$410.9	6.4%
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	\$611.4	\$6.3	1.0%
Commission on Law Enforcement	\$0.0	\$0.0	\$0.0	N/A
Texas Military Department	\$30.4	\$43.3	\$12.9	42.3%
Department of Public Safety	\$1,843.3	\$1,750.5	(\$92.8)	(5.0%)
Subtotal, Public Safety and Criminal Justice	\$8,968.0	\$9,305.3	\$337.3	3.8%
Employee Benefits and Debt Service	\$2,354.1	\$2,391.0	\$36.9	1.6%
Total, All Functions	\$11,322.1	\$11,696.4	\$374.2	3.3%

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.

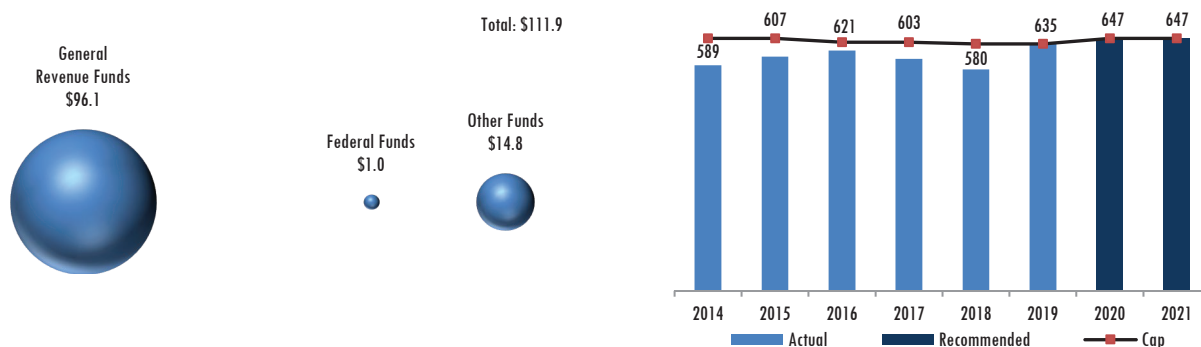
TEXAS ALCOHOLIC BEVERAGE COMMISSION

FIGURE 59
TEXAS ALCOHOLIC BEVERAGE COMMISSION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB 2020–21	CHANGE	CHANGE
General Revenue Funds	\$96.2	\$96.1	(\$0.1)	(0.1%)
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$1.1	\$1.0	(\$0.1)	(7.7%)
Other Funds	\$2.2	\$14.8	\$12.6	582.1%
Total, All Methods of Finance	\$99.5	\$111.9	\$12.4	12.5%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTE: 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.

Funding for the Texas Alcoholic Beverage Commission (TABC) for the 2020–21 biennium totals \$111.9 million in All Funds, which includes an All Funds increase of \$12.4 million or 12.5 percent. The increase in funding is primarily the result of several information technology replacement projects, salary increases, and Centralized Accounting and Payroll Personnel System (CAPPS) support. TABC is under Strategic Fiscal Review.

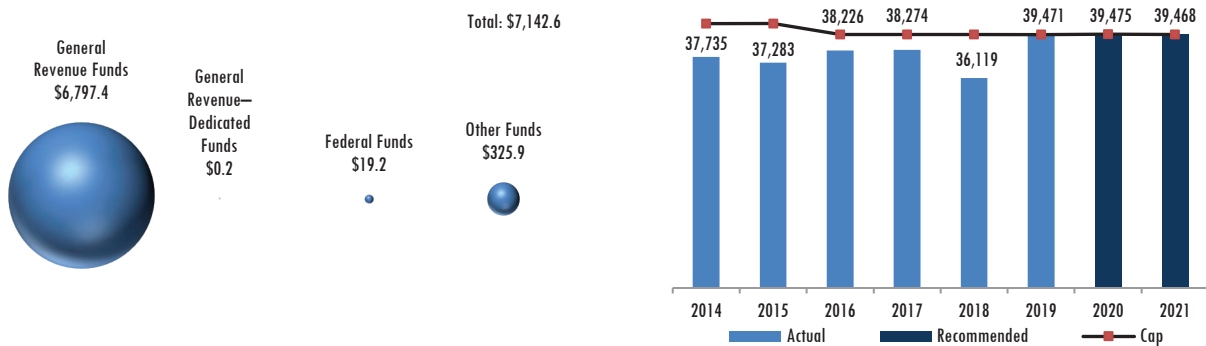
HIGHLIGHTS

- Funding includes \$51.5 million in All Funds for Public Safety and Enforcement, which includes a \$1.6 million decrease for Governor's Emergency and Deficiency Grants (Other Funds) for Hurricane Harvey assistance.
- Funding includes a \$14.3 million increase from the Economic Stabilization Fund (ESF) for three information technology projects, including licensing and tax collection technology updates and replacements, public safety technology replacement, and cybersecurity upgrades.
- Funding includes a \$0.3 million increase from the ESF for CAPPS support.
- Funding includes a \$0.3 increase in General Revenue for salary increases for Auditors and License and Permit Specialists.
- Funding includes a \$0.1 million decrease in Federal Funds and a \$0.3 million decrease in Appropriated Receipts.

DEPARTMENT OF CRIMINAL JUSTICE

FIGURE 60
DEPARTMENT OF CRIMINAL JUSTICE, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED			
METHOD OF FINANCE	2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$6,386.4	\$6,797.4	\$410.9	6.4%
General Revenue–Dedicated Funds	\$5.3	\$0.2	(\$5.1)	(95.6%)
Federal Funds	\$20.5	\$19.2	(\$1.3)	(6.4%)
Other Funds	\$194.0	\$325.9	\$131.8	67.9%
Total, All Methods of Finance	\$6,606.3	\$7,142.6	\$536.4	8.1%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTE: 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.

Funding for the Texas Department of Criminal Justice (TDCJ) for the 2020–21 biennium totals \$7.1 billion in All Funds, which represents an All Funds increase of \$536.4 million or 8.1 percent from the 2018–19 biennium. The increase in funding is the net result of several increases and decreases to various budget items. Funding for the Board of Pardons and Paroles is included within the appropriations for TDCJ.

HIGHLIGHTS

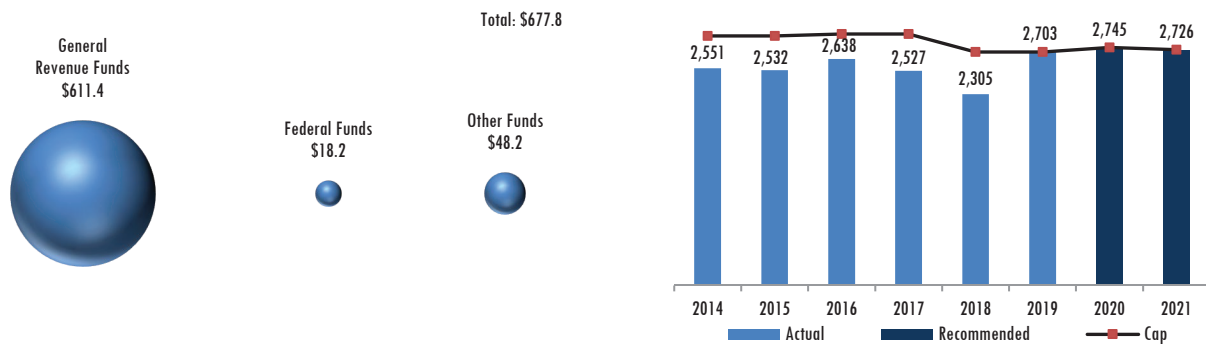
- Funding includes \$5.9 billion in All Funds for the incarceration and treatment of adult offenders in state correctional institutions, which represents a \$428.9 million All Funds increase from the 2018–19 biennium. The following items highlight significant funding changes:
 - \$168.1 million for Correctional Officer and Parole Officer salary increases;
 - \$100.1 million increase for the repair and renovation of facilities;
 - \$38.6 million transfer reimbursement for Hurricane Harvey relief;
 - \$26.0 million increase for video surveillance cameras;
 - \$24.2 million increase for upgrades to the corrections information technology system;
 - \$13.0 million increase to expand sheltered housing beds at the Murray and Stiles Units;

- \$8.3 million increase to expand services at the Texas Correctional Office on Offenders with Medical or Mental Impairments; and
- \$2.0 million increase for vocational training programs.
- Funding includes \$1,316.2 million for Correctional Managed Health Care (CMHC), which represents a \$199.1 million increase from the 2018–19 base funding level. CMHC provides medical, dental, nursing, pharmacy, hospital, and mental health services to offenders incarcerated in TDCJ facilities. The net funding increase includes the following amounts:
 - \$160.0 million increase to fully fund 2018–19 expenditure levels;
 - \$12.9 million increase for a CMHC information technology upgrade;
 - \$9.0 million for Correctional Managed Health Care (CMHC) staff salary increases;
 - \$4.1 million increase for CMHC capital equipment; and
 - \$0.7 million increase to fund the extension of medical prescriptions to 30 days for offenders released from a TDCJ facility.
- Funding includes \$495.4 million in All Funds for the supervision of adult offenders on community supervision or probation, which represents a \$0.8 million increase from the 2018–19 biennium. The net funding increase includes the following amounts:
 - \$4.0 million increase for pretrial diversion grants; and
 - \$3.3 million decrease to fund basic supervision at Legislative Budget Board (LBB)-projected levels for the 2020–21 biennium.
- Funding includes \$433.0 million in All Funds for the Board of Pardons and Paroles, parole processing, parole supervision, and residential facilities, which represents an All Funds increase of \$10.3 million from the 2018–19 biennium. The net funding increase includes the following amounts:
 - a \$5.7 million decrease to fund parole supervision at LBB-projected levels for the 2020–21 biennium;
 - \$0.8 million for a salary increase for Hearing and Institutional Parole Officers; and
 - \$0.1 million increase for parole guideline review.
- Projected felony direct community supervision populations are 155,056 for fiscal year 2020 and 155,001 for fiscal year 2021. Projected incarceration populations are 145,553 for fiscal year 2020 and 145,966 for fiscal year 2021. Projected parole populations are 84,690 for fiscal year 2020 and 85,091 for fiscal year 2021.
- The House version of the supplemental bill includes \$160.0 million to fully fund 2018–19 CMHC expenditures and \$30.0 million for correctional officer overtime in the 2018–19 biennium in General Revenue Funds. The House version also includes \$38.6 million in Economic Stabilization Funds for transfers from TDCJ to address Hurricane Harvey Recovery in the 2018–19 biennium.

JUVENILE JUSTICE DEPARTMENT

FIGURE 61
JUVENILE JUSTICE DEPARTMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$605.2	\$611.4	\$6.3	1.0%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$18.6	\$18.2	(\$0.4)	(2.1%)
Other Funds	\$37.4	\$48.2	\$10.8	28.8%
Total, All Methods of Finance	\$661.1	\$677.8	\$16.7	2.5%



NOTE: 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.

Funding for the Texas Juvenile Justice Department for the 2020–21 biennium totals \$677.8 million in All Funds, which represents an All Funds increase of \$16.7 million, or 2.5 percent. Included in the All Funds increase is a General Revenue Funds increase of \$6.3 million, a Federal Funds decrease of \$0.4 million, and an Other Funds increase of \$10.8 million. The All Funds increase is attributable primarily to the increase of onetime capital funding for a video surveillance system and deferred maintenance; an increase for the juvenile justice system restructure; and salary increases for juvenile correctional officers and other direct care staff.

HIGHLIGHTS

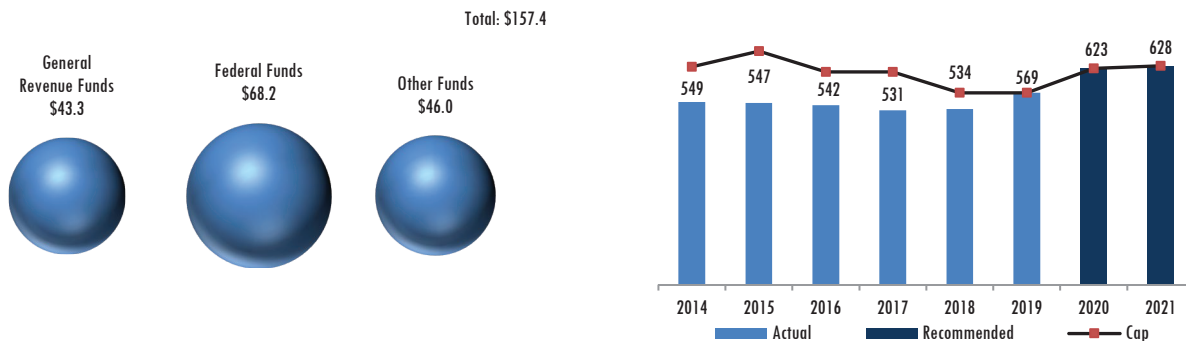
- Funding includes a \$2.6 million General Revenue Funds decrease across the following five areas of juvenile corrections to align funds with juvenile population projections:
 - probation basic supervision – \$2.0 million increase for supervision of juvenile offenders in local communities;
 - state-operated secure facilities – \$5.9 million decrease for supervision, food, and basic needs of juvenile offenders in secure state facilities;
 - halfway houses – \$0.3 million decrease for supervision, food, and basic needs of juvenile offenders in halfway houses;
 - contract residential placements – \$1.6 million increase for juvenile offenders placed in contract residential facilities; and
 - parole supervision – \$31,580 increase for supervision of juvenile parole offenders.

- Projections for juvenile populations are as follows:
 - projected state residential populations are 1,209 for fiscal year 2020 and 1,268 for fiscal year 2021. This population includes juveniles housed in state secure facilities, halfway houses, and contracted residential placements;
 - projected juvenile probation supervision populations are 19,830 for fiscal year 2020 and 20,047 for fiscal year 2021. This population includes juveniles supervised on adjudicated probation, deferred prosecution, and conditional release; and
 - projected parole supervision populations are 435 in fiscal year 2020 and 425 in fiscal year 2021.
- General Revenue funding includes a \$11.6 million increase for state residential facility security, state contract placements, and local probation supervision as follows:
 - probation supervision – \$1.0 million for referrals that do not subsequently result in probation supervision;
 - state operated facilities – \$4.2 million for cost per day increase in state-operated secure facilities, \$2.8 million for juvenile correctional officers (JCO) and other direct care staff salary increases, \$2.4 million for 39.5 JCOs in fiscal year 2020 and 20.5 JCOs in fiscal year 2021, \$1.0 million for emergency mental health stabilization, and \$0.2 million and 2.0 full-time-equivalent positions for trauma informed care training; and
 - contract residential placements – \$5.9 million to increase cost per day.
- funding from the Economic Stabilization Fund totals \$23.7 million and includes:
 - \$7.5 million to replace a legacy video surveillance system and \$3.2 million for body worn cameras in state-operated facilities;
 - \$3.8 million for health and safety maintenance and \$1.2 million for deferred maintenance projects;
 - \$2.5 million for additional state contract residential placements; and
 - \$5.5 million for additional Regional Diversion Alternative placements and services for juvenile offenders on probation.

TEXAS MILITARY DEPARTMENT

FIGURE 62
TEXAS MILITARY DEPARTMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$30.4	\$43.3	\$12.9	42.3%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$146.0	\$68.2	(\$77.8)	(53.3%)
Other Funds	\$46.5	\$46.0	(\$0.5)	(1.1%)
Total, All Methods of Finance	\$222.9	\$157.4	(\$65.5)	(29.4%)
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTE: 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.

Funding for the Texas Military Department (TMD) for the 2020–21 biennium totals \$157.4 million in All Funds, which represents an All Funds decrease of \$65.5 million, or 29.4 percent. Included in the All Funds decrease is a General Revenue Funds increase of \$12.9 million, an estimated Federal Funds decrease of \$77.8 million, and an Other Funds decrease of \$0.5 million. TMD is under Strategic Fiscal Review.

HIGHLIGHTS

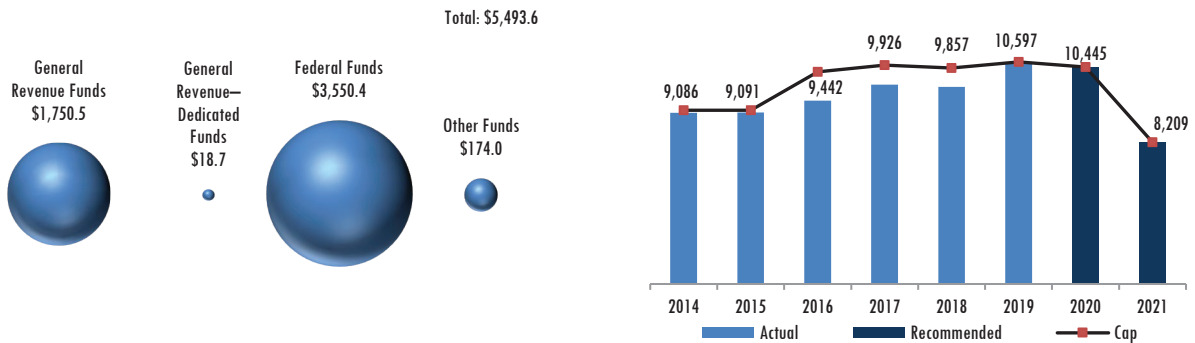
- Funding includes an All Funds decrease of \$35.1 million to eliminate onetime funding for the deployment of the Texas Military Forces (TXMF) for disaster relief missions during and after Hurricane Harvey during fiscal year 2018. The decrease in funding includes the following amounts:
 - \$26.8 million decrease in Federal Funds; and
 - \$8.3 million decrease in Governor's Emergency and Deficiency grants. TMD received \$30.0 million in emergency grants to deploy TXMF for activities related to Hurricane Harvey. TMD has reimbursed the Office of the Governor \$21.7 million of the grant amount.
- Funding for the Challenge Academy includes \$9.7 million in All Funds, which includes a decrease of \$1.0 million in Other Funds from Interagency Contracts – Foundation School Program Funds as the result of the consolidation of the two Challenge Academy campuses, resulting in the closure of the Sheffield location.

- Funding includes an All Funds decrease of \$42.1 million as the result of decreased Federal Funds estimates related to facilities maintenance, including the following amounts
 - \$9.6 million increase in Economic Stabilization Funds for the State Armory Revitalization Program and deferred maintenance;
 - \$51.0 million decrease in Federal Funds to align with the federal match associated with the level of state funding provided; and
 - \$0.7 million decrease in General Obligation Bond Proceeds fully expended during the 2018–19 biennium.
- General Revenue funding includes a \$12.9 million increase primarily for the following items:
 - \$5.9 million increase and 22.5 full-time equivalent positions for the expansion of the Texas State Guard to 3,650 members and for recruitment and training;
 - \$5.8 million increase for an additional 30.0 indirect administration support staff and 3.0 watch officers at the Joint Operations Center; and
 - \$0.7 million increase for mental health and service member care for a behavioral health specialist (\$0.2 million), 2.0 sexual assault response coordinators (\$0.2 million), and expanded state military tuition assistance (\$0.3 million).
- Funding for border-related activities includes \$6.2 million in Other Funds from Interagency Contracts, which is a \$5.1 million decrease related to the National Guard surge deployment during the 2018–19 biennium and a \$0.1 million agency-estimated decrease for the Border Star program.
- Funding includes a \$5.0 million increase in Current Fund Balance to maintain the 2018–19 biennial appropriated estimate from the sale of property.

DEPARTMENT OF PUBLIC SAFETY

FIGURE 63
DEPARTMENT OF PUBLIC SAFETY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$1,843.3	\$1,750.5	(\$92.8)	(5.0%)
General Revenue–Dedicated Funds	\$16.1	\$18.7	\$2.6	16.1%
Federal Funds	\$6,523.9	\$3,550.4	(\$2,973.5)	(45.6%)
Other Funds	\$301.6	\$174.0	(\$127.6)	(42.3%)
Total, All Methods of Finance	\$8,684.9	\$5,493.6	(\$3,191.4)	(36.7%)
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTE: 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.

Funding for the Department of Public Safety for the 2020–21 biennium totals \$5.5 billion in All Funds, which represents an All Funds decrease of \$3.2 billion, or 36.7 percent. Funding includes \$1.8 billion in General Revenue Funds and General Revenue–Dedicated Funds, a decrease of \$90.2 million, or 4.9 percent, compared to 2018–19 biennial funding levels.

HIGHLIGHTS

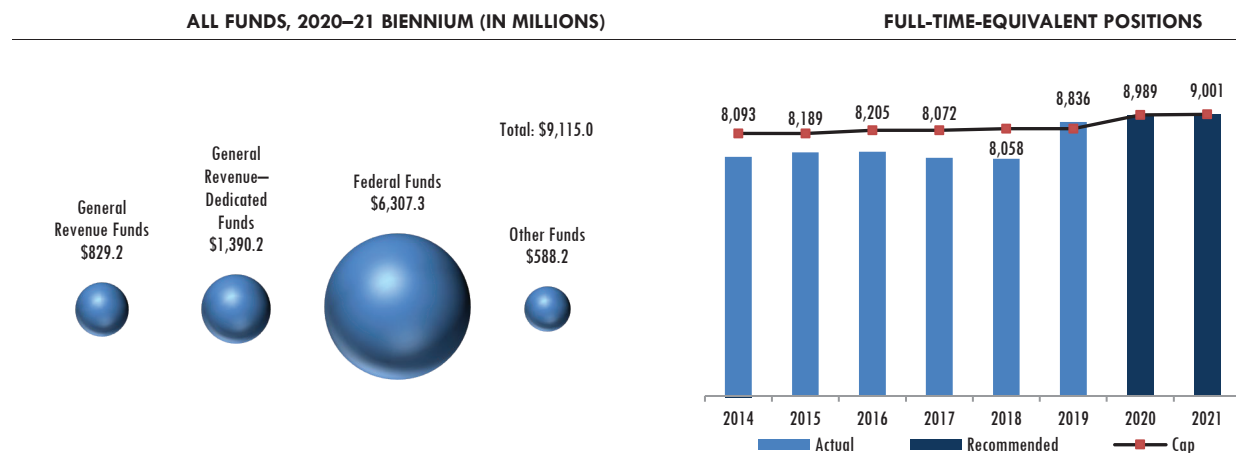
- Funding includes \$684.7 million in All Funds, including \$670.1 million in General Revenue Funds and General Revenue–Dedicated Funds and \$14.6 million in Other Funds from Criminal Justice Grants and the Economic Stabilization Fund for the 2020–21 biennium for border security. This includes \$435.7 million in the agency's bill pattern in Goal B, Secure Texas, and an additional \$249.0 million in other agency goals. This amount is a \$9.5 million decrease from the 2018–19 biennial expenditure levels, primarily as the result of the decrease of onetime funding for Operation Drawbridge equipment, construction of the Peñitas law enforcement facility, and removal of the Border Surge contingency funding. This funding maintains support for Department of Public Safety (DPS) personnel at fiscal year 2019 full deployment levels, and eliminates funding for onetime and transitional expenditures. The funding includes the following amounts:
 - \$671.1 million in 2018–19 biennial baseline border funding, which includes the 50.0-hour work week, and 250 additional troopers provided by the Eighty-fifth Legislature, Regular Session, 2017;
 - \$8.6 million for a new Tactical Training Facility in Cameron County;
 - \$2.2 million for the University of North Texas Missing Persons Database;
 - \$1.3 million to fund the Border Auto Theft Information Center;

- \$0.7 million to fund training for local law enforcement agencies on transitioning crime reporting methodology to the National Incident Based Reporting System;
- \$0.5 million for funding for the Texas Transnational Intelligence Center; and
- \$0.4 million for maintenance and operational costs for the Peñitas Law Enforcement Center.
- The All Funds decrease is attributable primarily to a Federal Funds decrease of \$3.0 billion (primarily Hurricane Harvey Public Assistance Grants), a decrease of \$127.6 million in Other Funds (primarily from an Interagency Contract with the Office of the Governor for Hurricane Harvey relief), and a General Revenue Funds and General Revenue–Dedicated Funds decrease of \$90.2 million, primarily the result of the transfer of the driver license program in fiscal year 2021, offset by funding for the following items:
 - \$7.6 million for crime labs including funding for operations and funding to partner with Sam Houston State University Forensic Science Department for analysis outsourcing and new analyst training;
 - \$6.4 million to fund one recruit school;
 - \$4.8 million increase in Motorcycle Education funding;
 - \$4.0 million increase to fund a nonprofit entity dedicated to preventing and solving crime;
 - \$1.0 million increase for a Safe Gun Storage campaign; and
 - \$0.2 million increase for a pilot program for Automated External Defibrillator in patrol cars in certain areas.
- Funding includes \$130.7 million in General Revenue Funds for the agency’s driver license program, which represents a decrease of \$130.1 million in All Funds from the 2018–19 biennium. Funding is eliminated for fiscal year 2021 pursuant to the transfer of the driver license program to the Department of Motor Vehicles beginning September 1, 2020, contingent upon enactment of legislation.
- Funding includes \$87.5 million in General Revenue Funds to acquire 1,560 new and replacement vehicles during the 2020–21 biennium, a \$1.5 million increase from the 2018–19 biennium.
- Funding from the Economic Stabilization Fund includes the following items:
 - \$21.8 million for cybersecurity information technology projects;
 - \$12.6 million for two helicopters; and
 - \$6.3 million for crime lab equipment and a crime lab remodel.
- The House version of the supplemental bill includes \$5.8 million in General Revenue Funds for crime lab operations. The House version also includes \$770.0 million in Economic Stabilization Funds to restore operations funding used for Hurricane Harvey Recovery (\$97.0 million), Department of Emergency Management (TDEM) matching funds for the Federal Emergency Management Agency (FEMA) Hazard Mitigation Grants (\$273.0 million), and TDEM matching funds for FEMA Public Assistance Grants (\$400.0 million).

ARTICLE VI – NATURAL RESOURCES

FIGURE 64
ARTICLE VI NATURAL RESOURCES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$910.6	\$829.2	(\$81.4)	(8.9%)
General Revenue–Dedicated Funds	\$1,366.6	\$1,390.2	\$23.6	1.7%
Federal Funds	\$3,823.6	\$6,307.3	\$2,483.8	65.0%
Other Funds	\$465.2	\$588.2	\$123.0	26.4%
Total, All Methods of Finance	\$6,566.0	\$9,115.0	\$2,549.0	38.8%



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 \$9.1 billion for the 2020–21 biennium, which is an increase of \$2.5 billion, or 38.8 percent, from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$2.2 billion, which is a decrease of \$57.8 million, or 2.5 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 House supplemental appropriations bill provides \$4.2 million from the Economic Stabilization Fund (ESF) to be used in the event that Federal Emergency Management Agency (FEMA) 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 House supplemental appropriations bill provides \$23.6 million in ESF and \$2.0 million in general revenue-dedicated funds for coastal projects and repairs necessary after Hurricane Harvey;

- 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 in 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, \$68.9 million in ESF was encumbered during the 2018–19 biennium and is expected to be spent on construction projects through 2023;
- a decrease of \$48.6 million in All Funds transferred as onetime emergency funding during the 2018–19 biennium in response to Hurricane Harvey. This amount includes \$38.6 million in General Revenue Funds transferred from the Texas Department of Criminal Justice and \$10.0 million transferred as a grant from the Office of the Governor for cash flow needs with short term housing; and
- the House version of the supplemental bill provides \$200.0 million in ESF to be used for state matching funds for studies and projects to be conducted by the U.S. Army Corps of Engineers.
- Funding for the Parks and Wildlife Department provides the following amounts:
 - \$126.9 million in All Funds for deferred maintenance and capital construction projects along with all unexpended balances remaining from \$101.5 million appropriated in the 2018–19 biennium for the same purpose. In addition, the House supplemental appropriations bill provides \$17.1 million for Hurricane Harvey related expenses and \$15.0 million for renovation and repair of the Wyler Aerial Tramway at Franklin Mountains State Park in ESF.
 - \$165.7 million in General Revenue Funds from Sporting Goods Sales Tax transfers, which is a decrease of \$39.5 million from the 2018–19 biennium; and
 - \$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.
- Funding for the Commission on Environmental Quality includes the following amounts:
 - \$102.6 million from General Revenue–Dedicated Funds to provide \$96.6 million for the Low-Income Vehicle Repair, Replacement, Retrofit, and Accelerated Vehicle Retirement Program and \$6.0 million for air quality-planning activities to reduce ozone in near nonattainment areas;
 - 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 House version of the supplemental bill provides \$1.4 million for the same purpose; and
 - an estimated \$1.9 million in General Revenue–Dedicated Funds from Account No. 151, Clean Air, 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 allowing it 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.

- Funding for the Railroad Commission includes the following amounts:
 - \$39.1 million in ESF, 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 ESF to upgrade the agency's mainframe computer system.

Figure 65 shows the All Funds appropriations for each agency in Article VI, and **Figures 66** and **67** show the appropriations for each agency in General Revenue Funds and General Revenue–Dedicated Funds, respectively. On the subsequent pages in this chapter are more specific details about funding levels for selected agencies in Article VI.

FIGURE 65
ARTICLE VI – NATURAL RESOURCES RECOMMENDATIONS BY AGENCY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
Department of Agriculture	\$1,330.0	\$1,396.9	\$66.8	5.0%
Animal Health Commission	\$32.4	\$31.0	(\$1.3)	(4.1%)
Commission on Environmental Quality	\$845.3	\$865.4	\$20.0	2.4%
General Land Office and Veterans' Land Board	\$2,413.9	\$4,859.8	\$2,445.9	101.3%
Low-level Radioactive Waste Disposal Compact Commission	\$0.9	\$1.2	\$0.3	30.0%
Parks and Wildlife Department	\$853.3	\$792.5	(\$60.7)	(7.1%)
Railroad Commission	\$256.1	\$283.7	\$27.6	10.8%
Soil and Water Conservation Board	\$70.4	82.1	\$11.7	16.7%
Water Development Board	\$369.3	\$385.6	\$16.2	4.4%
Subtotal, Natural Resources	\$6,171.6	\$8,698.1	\$2,526.5	40.9%
Employee Benefits and Debt Service	\$427.9	\$431.9	\$4.0	0.9%
Less Interagency Contracts	\$33.6	\$15.1	(\$18.5)	(55.0%)
Total, All Functions	\$6,566.0	\$9,115.0	\$2,549.0	38.8%

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 66
ARTICLE VI – NATURAL RESOURCES BY AGENCY, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
Department of Agriculture	\$105.9	\$104.9	(\$1.1)	(1.0%)
Animal Health Commission	\$28.3	\$27.3	(\$1.0)	(3.6%)
Commission on Environmental Quality	\$35.3	\$38.3	\$3.0	8.6%
General Land Office and Veterans' Land Board	\$66.9	\$25.6	(\$41.3)	(61.8%)
Low-level Radioactive Waste Disposal Compact Commission	\$0.0	\$0.0	\$0.0	N/A
Parks and Wildlife Department	\$261.2	\$212.7	(\$48.4)	(18.5%)
Railroad Commission	\$61.1	\$40.6	(\$20.5)	(33.5%)
Soil and Water Conservation Board	\$44.4	\$51.5	\$7.1	16.0%
Water Development Board	\$130.0	\$137.1	\$7.1	5.5%
Subtotal, Natural Resources	\$733.2	\$638.1	(\$95.1)	(13.0%)
Employee Benefits and Debt Service	\$177.4	\$191.1	\$13.7	7.7%
Total, All Functions	\$910.6	\$829.2	(\$81.4)	(8.9%)

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 67
ARTICLE VI – NATURAL RESOURCES BY AGENCY, GENERAL REVENUE–DEDICATED FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 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	\$732.3	\$18.1	2.5%
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	\$300.1	(\$7.1)	(2.3%)
Railroad Commission	\$135.1	\$158.1	\$22.9	17.0%
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	\$1,227.4	\$34.9	2.9%
Employee Benefits and Debt Service	\$174.1	\$162.8	(\$11.3)	(6.5%)
Total, All Functions	\$1,366.6	\$1,390.2	\$23.6	1.7%

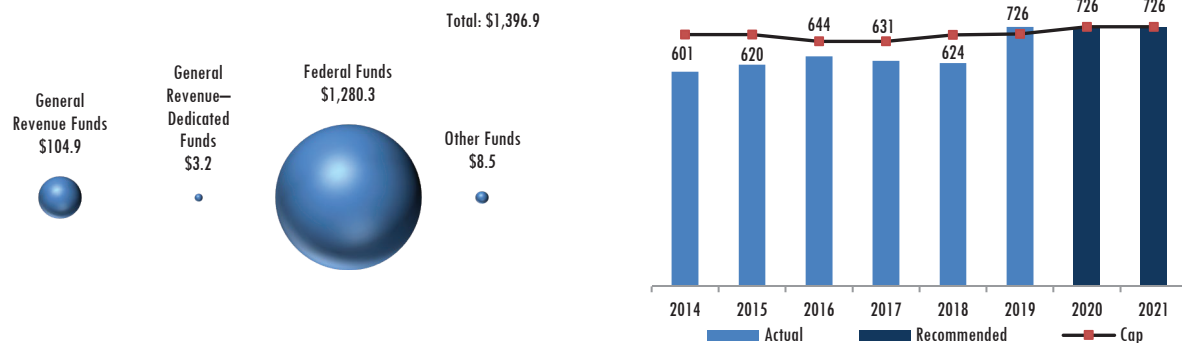
NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

DEPARTMENT OF AGRICULTURE

FIGURE 68
TEXAS DEPARTMENT OF AGRICULTURE, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED			
METHOD OF FINANCE	2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$105.9	\$104.9	(\$1.1)	(1.0%)
General Revenue–Dedicated Funds	\$4.6	\$3.2	(\$1.4)	(31.3%)
Federal Funds	\$1,203.9	\$1,280.3	\$76.4	6.3%
Other Funds	\$15.6	\$8.5	(\$7.0)	(45.1%)
Total, All Methods of Finance	\$1,330.0	\$1,396.9	\$66.8	5.0%



NOTE: 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.

Funding for the Department of Agriculture for the 2020–21 biennium totals \$1.4 billion in All Funds, which is an increase of \$66.8 million, or 5.0 percent, from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$108.0 million, a decrease of \$2.5 million, or 2.3 percent. Federal Funds and Other Funds total \$1.3 billion, an increase of \$69.4 million, or 5.7 percent. The increase is due primarily to an increase in Federal Funds for the Child Nutrition programs administered by the agency.

HIGHLIGHTS

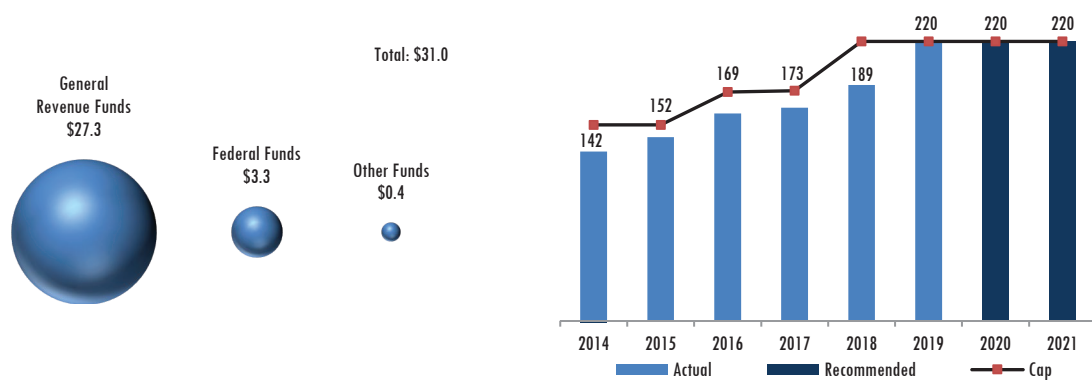
- Funding includes \$1.2 billion in All Funds for the Child and Adult Nutrition programs. This amount includes an increase of \$71.3 million in Federal Funds as a result of increased population projections.
- Funding includes \$145.3 million in Federal Funds from various other sources, an increase of \$5.1 million that is attributable primarily to increased funding in the Community Development Block Grant program for rural initiatives and rural hospitals.
- Funding includes \$39.5 million in General Revenue Funds contingent on the agency generating sufficient revenue to cover the direct and indirect costs for the agency's 11 cost recovery programs, which is approximately the same as 2018–19 biennial spending levels. Other direct and indirect costs total \$8.8 million for the 2020–21 biennium. Two existing cost recovery programs, the Metrology program and the Weights and Measures program, are combined into a single new program called Weights, Measures, and Metrology. Funding for this program includes \$14.8 million in General Revenue Funds, a decrease of \$0.8 million.

- Funding includes an estimated \$1.1 million in Other Funds from the Texas Economic Development Fund, a decrease of \$8.1 million due to depletion of the fund's original balances. The account funds investments in small businesses, including loans to small businesses focused on rural Texas.
- Funding includes \$3.2 million in General Revenue–Dedicated Funds from Account No. 5047, Permanent Fund for Rural Health Facility Capital Improvement, a decrease of \$1.4 million due to decreased interest on the state's tobacco settlement endowment.
- Funding includes \$1.8 million in General Revenue Funds, a decrease of \$0.6 million, for the Fuel Quality program. The program receives information on motor fuel quality testing conducted by third parties and may issue a stop-sale if a sample is contaminated or does not meet standards.

TEXAS ANIMAL HEALTH COMMISSION

FIGURE 69
TEXAS ANIMAL HEALTH COMMISSION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$28.3	\$27.3	(\$1.0)	(3.6%)
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$4.0	\$3.3	(\$0.7)	(18.1%)
Other Funds	\$0.0	\$0.4	\$0.4	19,900.0%
Total, All Methods of Finance	\$32.4	\$31.0	(\$1.3)	(4.1%)
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTE: 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.

Funding for the Texas Animal Health Commission for the 2020–21 biennium totals \$31.0 million in All Funds, a decrease of \$1.3 million, or 4.1 percent, from the 2018–19 biennium. General Revenue Funds total \$27.3 million, a decrease of \$1.0 million, or 3.6 percent. The Texas Animal Health Commission is under Strategic Fiscal Review.

HIGHLIGHTS

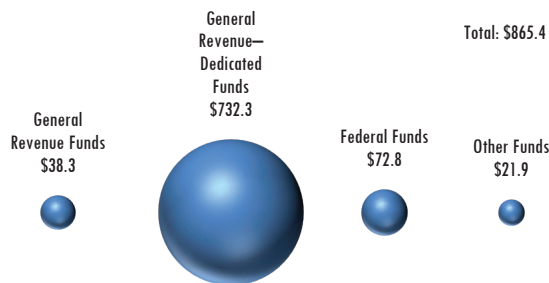
- Funding includes \$8.0 million in All Funds for the agency's continued cattle fever tick control and eradication activities, a decrease of \$1.2 million related to onetime expenditures on vehicles and capital equipment.
- Funding includes \$2.2 million in All Funds for diagnostic and epidemiological support services, including the State-Federal Laboratory in Austin, primarily maintaining funding at 2018–19 biennial levels. These services include sample collection and testing for certain animal diseases affecting the livestock industry.
- Funding includes \$0.4 million in General Revenue Funds for Chronic Wasting Disease surveillance and inspections of farmed deer and other cervids, representing an increase of \$14,418 from 2018–19 biennial funding levels.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

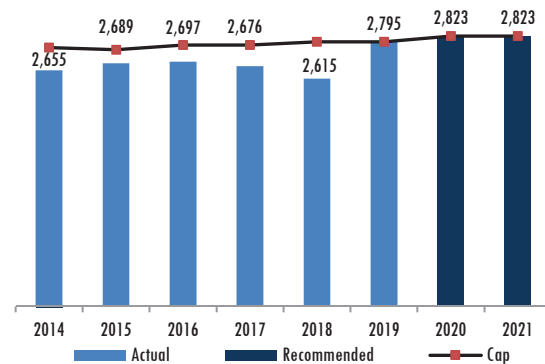
FIGURE 70
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$35.3	\$38.3	\$3.0	8.6%
General Revenue–Dedicated Funds	\$714.2	\$732.3	\$18.1	2.5%
Federal Funds	\$75.7	\$72.8	(\$2.9)	(3.8%)
Other Funds	\$20.1	\$21.9	\$1.8	9.0%
Total, All Methods of Finance	\$845.3	\$865.4	\$20.0	2.4%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTE: 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.

Funding for the Texas Commission on Environmental Quality (TCEQ) for the 2020–21 biennium totals \$865.4 million in All Funds, which is an increase of \$20.0 million, or 2.4 percent, from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$770.6 million, an increase of \$21.1 million, or 2.8 percent.

HIGHLIGHTS

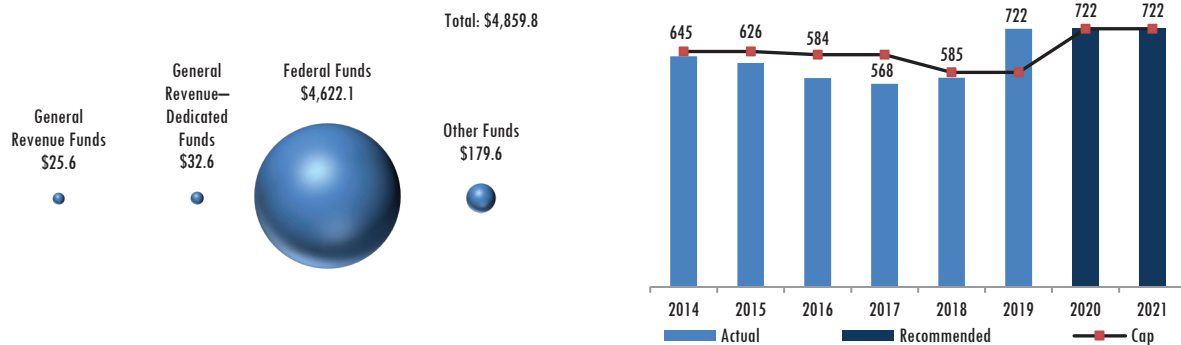
- Funding provides \$198.1 million in General Revenue–Dedicated Funds from Account No. 151, Clean Air, a \$103.2 million increase that includes \$96.6 million for the Low-Income Vehicle Repair, Replacement, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP) and \$6.0 million for local air pollution grants. This increase is offset by slight decreases to other programs. LIRAP is composed of two programs: the Drive a Clean Machine program, which provides financial assistance to income-eligible vehicle owners in participating counties for emissions-related vehicle repair, retrofit, and replacement; and the Local Initiative Projects program, which provides funding for TCEQ-approved projects that improve air quality.
- Funding provides \$154.7 million in General Revenue–Dedicated Funds from Account No. 5071, Texas Emissions Reduction Plan (TERP), to fund a set of programs that provide financial incentives to limit pollution from vehicles and equipment. This amount maintains funding for these programs at 2018–19 biennial levels. The Eighty-fifth Legislature, Regular Session, 2017, extended the TERP program authorization to the end of the biennium in which Texas attains national ambient air quality standards for ground-level ozone. TERP program fees and surcharges are set to expire at the end of fiscal year 2019.

- Funding includes a \$90.0 million decrease in General Revenue–Dedicated Funds from Account No. 5000, Solid Waste Disposal, for onetime emergency funding that was transferred to the Texas Division of Emergency Management for debris removal associated with Hurricane Harvey recovery.
- Funding provides \$7.1 million, a \$3.6 million increase, in General Revenue–Dedicated Funds from Account No. 5158, Environmental Radiation and Perpetual Care, for cleanup of radioactive material at a former uranium mining and processing site in Live Oak County.
- Funding provides \$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 House version of the supplemental bill provides \$1.4 million for the same purpose.
- Funding provides \$2.3 million in Other Funds from Appropriated Receipts, a \$3.8 million decrease, primarily due to anticipated decreases in the amount of recovered costs from Superfund cleanups and disasters.
- Funding provides an estimated \$1.9 million in General Revenue–Dedicated Funds from Account No. 151, Clean Air, 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 to support this work. The agency has estimated appropriation authority allowing it to spend all revenues collected for this purpose.

GENERAL LAND OFFICE

FIGURE 71
GENERAL LAND OFFICE, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$66.9	\$25.6	(\$41.3)	(61.8%)
General Revenue–Dedicated Funds	\$30.4	\$32.6	\$2.2	7.3%
Federal Funds	\$2,110.8	\$4,622.1	\$2,511.2	119.0%
Other Funds	\$205.8	\$179.6	(\$26.2)	(12.7%)
Total, All Methods of Finance	\$2,413.9	\$4,859.8	\$2,445.9	101.3%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTE: 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.

Funding for the General Land Office for the 2020–21 biennium totals \$4.9 billion in All Funds, which is an increase of \$2.4 billion, or 101.3 percent, from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$58.1 million, a decrease of \$39.1 million, or 40.2 percent. This decrease is due primarily to a onetime emergency transfer of funds from the Texas Department of Criminal Justice following Hurricane Harvey. Federal Funds and Other Funds total \$4.8 billion, an increase of \$2.5 billion, or 107.3 percent, primarily due to increased Federal Funds provided for housing and infrastructure following Hurricane Harvey.

HIGHLIGHTS

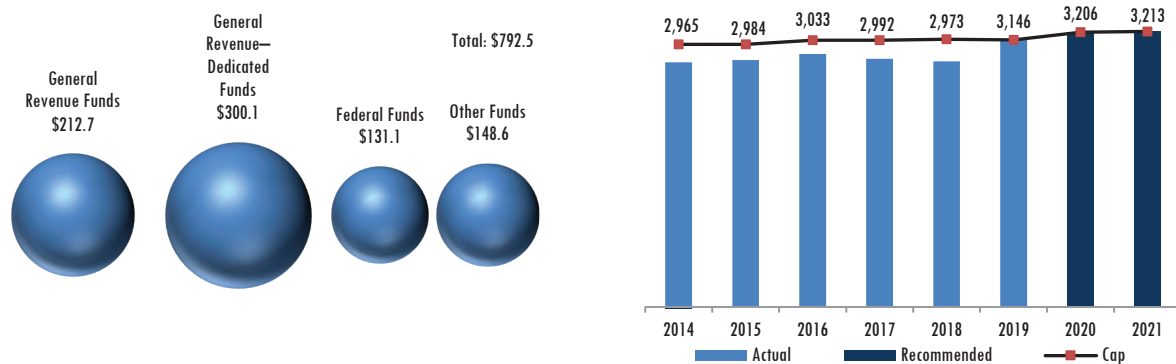
- Funding includes \$3.7 billion in All Funds for housing projects related to disaster recovery, which is an increase of \$1.8 billion, or 100.0 percent, from 2018–19 biennial spending levels. In addition, the House supplemental appropriations bill provides \$4.2 million in Economic Stabilization Funds to be used in the event Federal Emergency Management Agency (FEMA) federal funds are no longer available for the short-term housing recovery program.
- Funding includes \$858.5 million in Federal Funds for infrastructure projects related to disaster recovery, which is an increase of \$595.1 million, or 226.0 percent, from 2018–19 spending levels. In addition, the House version of the supplemental bill provides \$23.6 million in Economic Stabilization Funds and \$2.0 million in general revenue-dedicated funds for coastal projects and repairs necessary after Hurricane Harvey.
- The House version of the supplemental bill provides \$200.0 million in Economic Stabilization Funds to be used for state matching funds for studies and projects to be conducted by the U.S. Army Corps of Engineers.

- Funding includes \$18.2 million in All Funds for the Alamo Complex, a decrease of \$69.6 million, or 79.3 percent, primarily due to the removal of Other Funds from the Economic Stabilization Fund (ESF) for the Alamo Master Plan. An estimated \$3.0 million from the ESF are continued as unexpended balances from the 2018–19 biennium for operation and maintenance of the Alamo. In addition, the agency will continue using encumbered funding from the ESF from the 2018–19 biennium during the 2020–21 biennium to continue implementing the Alamo Master Plan.
- Funding includes \$185.1 million in All Funds, an increase of \$96.9 million, to protect and maintain the Texas coast. This amount includes coastal construction and erosion project funding of \$171.7 million in All Funds.
- Funding includes \$43.8 million from the Permanent School Fund, a decrease of \$7.9 million, which is attributable primarily to the use of surface damage funds pending Federal Emergency Management Agency reimbursements for onetime disaster costs following Hurricane Harvey offset by increased funding for information technology improvements.
- The House version of the supplemental bill includes a reduction of \$48.6 million in unencumbered General Revenue to offset transfers from the Texas Department of Criminal Justice and the Governor’s office made for the purpose of Hurricane Harvey recovery.

PARKS AND WILDLIFE DEPARTMENT

FIGURE 72
TEXAS PARKS AND WILDLIFE DEPARTMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED			
METHOD OF FINANCE	2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$261.2	\$212.7	(\$48.4)	(18.5%)
General Revenue–Dedicated Funds	\$307.3	\$300.1	(\$7.1)	(2.3%)
Federal Funds	\$235.6	\$131.1	(\$104.5)	(44.4%)
Other Funds	\$49.2	\$148.6	\$99.4	202.0%
Total, All Methods of Finance	\$853.3	\$792.5	(\$60.7)	(7.1%)
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTE: 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.

Funding for the Parks and Wildlife Department for the 2020–21 biennium totals \$792.5 million in All Funds. This amount is a decrease of \$60.7 million, or 7.1 percent, from the 2018–19 biennium. The decrease is due primarily to the agency's expenditure during fiscal year 2018 of available Federal Funds remaining from fiscal years 2015 and 2016, and projected decreases from donations and project reimbursements.

HIGHLIGHTS

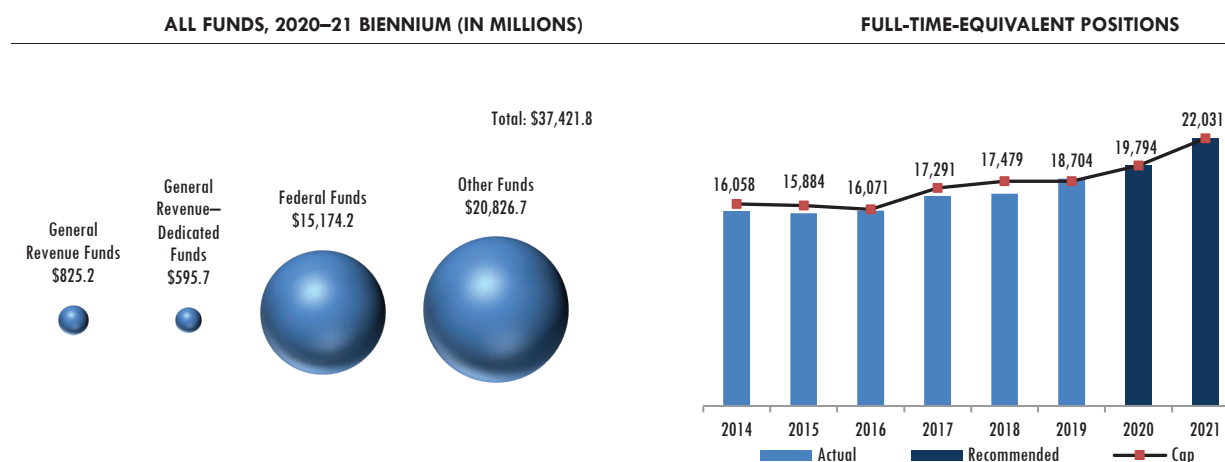
- Funding includes \$165.7 million from General Revenue Funds from Sporting Goods Sales Tax (SGST) transfers, which is a decrease of \$39.5 million from the 2018–19 biennium. In addition to the amounts in the agency's bill pattern, \$66.7 million from SGST is utilized for payroll-related benefits and debt service payments; the total appropriated and estimated amount for the agency is \$225.1 million. This amount is a \$52.5 million decrease from the 2018–19 biennial total appropriated and estimated amount.
- SGST direct appropriations to the agency are transferred to the following three General Revenue–Dedicated Funds accounts:
 - Account No. 64, State Parks (Account No. 64) – \$142.6 million, an increase of \$22.4 million, for state parks operations and minor repairs;
 - Account No. 467, Texas Recreation and Parks – \$15.7 million, a decrease of \$2.3 million, for grants to counties and municipalities with populations of less than 500,000 for local parks and other outdoor recreation opportunities; and

- Account No. 5150, Large County and Municipality Recreation and Parks – \$7.3 million, a decrease of \$2.4 million, for grants to counties and municipalities with populations of 500,000 or more for local parks and other outdoor recreation opportunities.
- Funding includes \$126.9 million in All Funds for deferred maintenance and capital construction. The agency is provided unexpended balances authority to carry forward unexpended and unobligated balances in SGST transfers to General Revenue–Dedicated Funds Account No. 5004, Parks and Wildlife Conservation and Capital, from fiscal year 2019 into fiscal year 2020 for deferred maintenance and capital construction projects. In addition, the House version of the supplemental bill provides \$17.1 million for Hurricane Harvey related expenses and \$15.0 million for renovation and repair of the Wyler Aerial Tramway at Franklin Mountains State Park in Economic Stabilization Funds.
- Funding includes \$196.1 million in All Funds, which is an increase of \$20.3 million, or 11.6 percent, from the 2018–19 biennial spending level, for state park operations, minor repairs, and support. These funds are used to operate 91 state parks, historic sites, and natural areas anticipated to be open to the public during the 2020–21 biennium. The increase is due primarily to SGST transfers to General Revenue–Dedicated Funds Account No. 64, State Parks, for state park operations and minor repair partially offset by decreases in Federal Funds and Other Funds.
- Funding includes \$174.3 million in All Funds for wildlife and fisheries conservation and management operations, which is a decrease of \$53.4 million from 2018–19 biennial spending levels, primarily due to decreases in Federal Funds of \$44.5 million. Of this amount, \$77.6 million is from General Revenue Funds and General Revenue–Dedicated Funds, and \$96.7 million is from Federal Funds and Other Funds.
- Funding includes \$131.1 million in Federal Funds, which is a decrease of \$104.5 million, or 44.4 percent from the 2018–19 biennium. The decrease is due primarily to the expenditure during fiscal year 2018 of federal grant allotments from previous years and does not represent a decrease in Federal Funds that are available to the agency.
- Funding includes \$148.6 million in Other Funds, an increase of \$99.4 million, or 201.9 percent, from the 2018–19 biennium. Funding includes \$120.5 million in Economic Stabilization Funds provided for certain capital projects. Funding also includes an agency-estimated \$20.2 million in donations and project reimbursements, a decrease of \$11.1 million, or 35.6 percent, which are not expected to continue for the 2020–21 biennium at previous levels and \$5.6 million from General Obligation Bond Proceeds, a decrease of \$2.5 million, or 31.1 percent.

ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT

FIGURE 73
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$496.5	\$825.2	\$328.7	66.2%
General Revenue–Dedicated Funds	\$571.9	\$595.7	\$23.8	4.2%
Federal Funds	\$14,715.8	\$15,174.2	\$458.4	3.1%
Other Funds	\$20,803.3	\$20,826.7	\$23.3	0.1%
Total, All Methods of Finance	\$36,587.5	\$37,421.8	\$834.2	2.3%



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 \$37.4 billion for the 2020–21 biennium, an increase of \$834.2 million, or 2.3 percent, from the 2018–19 biennium. General Revenue Funds total \$825.2 million, an increase of \$328.7 million, or 66.2 percent, from the 2018–19 biennium. The increase in General Revenue Funds is due primarily to the driver license program moving from the Department of Public Safety to the Department of Motor Vehicles, a change contingent upon enactment of legislation.

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: 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 House version of the supplemental bill includes \$250.0 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 (DMV) includes increases of \$335.6 million in General Revenue Funds and \$4.6 million in Other Funds and 3,198.8 full-time-equivalent positions to administer the driver license program, contingent on the Eighty-sixth Legislature, 2019, passing legislation relating to the transfer of the driver license program from the Department of Public Safety to DMV. This increase in funding is offset by decreases of \$13.2 million in General Revenue Funds and \$1.2 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 an increase in All Funds of \$25.4 million attributable to an increase of \$11.2 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 \$5.0 million for the Retailer Bonus program; an increase of \$1.8 million in Economic Stabilization Funds for construction of the agency's new headquarters facility; and an increase of \$0.3 million for ongoing information technology needs.
- 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 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 projected Appropriated Receipts (Other Funds).

Figure 74 shows the All Funds appropriation for each agency in Article VII, and **Figure 75** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for some of the agencies in Article VII.

FIGURE 74
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, ALL FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2018–19	RECOMMENDED 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Housing and Community Affairs	\$550.4	\$576.8	\$26.4	4.8%
Texas Lottery Commission	\$535.3	\$560.7	\$25.4	4.8%
Department of Motor Vehicles	\$328.9	\$654.7	\$325.7	99.0%
Department of Transportation	\$30,844.8	\$31,107.6	\$262.8	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	\$36,731.7	\$831.9	2.3%
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	\$37,421.8	\$834.2	2.3%

NOTES:

(1) Excludes Interagency Contracts.

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

SOURCE: Legislative Budget Board.

FIGURE 75
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, GENERAL REVENUE FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2018–19	RECOMMENDED 2020–21	BIENNIAL CHANGE	PERCENTAGE 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	\$361.2	\$322.3	828.2%
Department of Transportation	\$3.9	\$3.9	\$0.0	0.0%
Texas Workforce Commission	\$382.2	\$389.5	\$7.3	1.9%
Reimbursements to the Unemployment Compensation Benefit Account	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Business and Economic Development	\$449.3	\$781.9	\$332.6	74.0%
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	\$825.2	\$328.7	66.2%

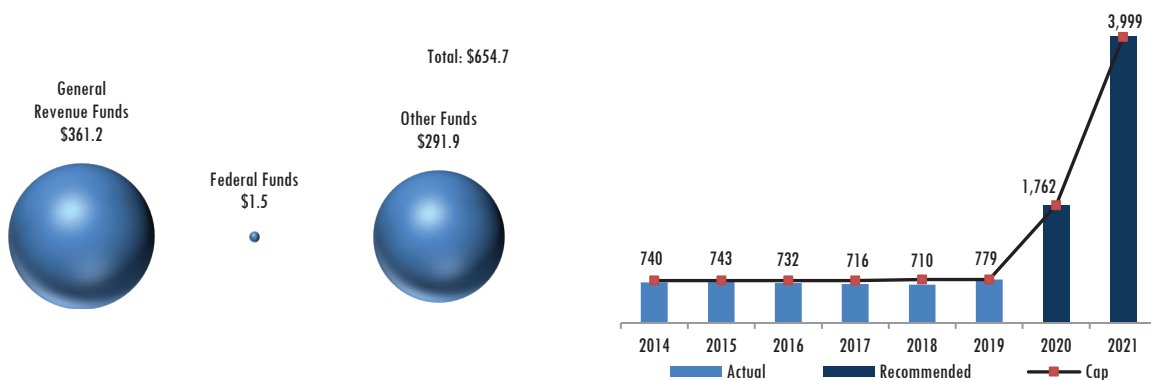
NOTE: Figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

DEPARTMENT OF MOTOR VEHICLES

FIGURE 76
DEPARTMENT OF MOTOR VEHICLES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$38.9	\$361.2	\$322.3	828.2%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$1.5	\$1.5	\$0.0	0.0%
Other Funds	\$288.5	\$291.9	\$3.4	1.2%
Total, All Methods of Finance	\$328.9	\$654.7	\$325.7	99.0%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTE: 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.

Funding for the Department of Motor Vehicles (DMV) for the 2020–21 biennium totals \$654.7 million in All Funds, which includes an increase of \$325.7 million from the 2018–19 biennium. The increase in funding is primarily due to an increase of \$340.2 million in All Funds to administer the driver license program, contingent on the Eighty-sixth Legislature, 2019, passing legislation relating to the transfer of the driver license program from the Department of Public Safety to the DMV.

HIGHLIGHTS

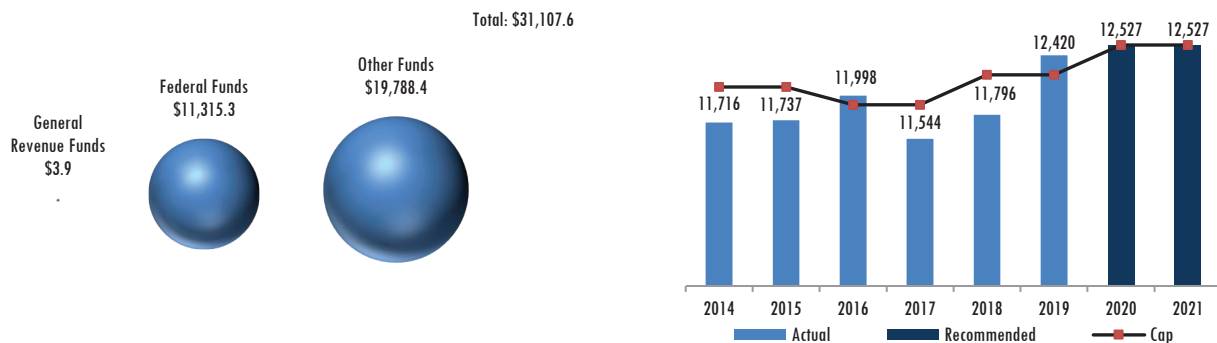
- Funding includes increases of \$340.2 million in All Funds and 3,198.8 full-time-equivalent (FTE) positions to administer the driver license program, which includes:
 - \$135.6 million in General Revenue Funds, \$4.6 million in Other Funds, and 2,236.8 FTE positions for administration of the driver license program at current service levels; and
 - \$200.0 million in General Revenue Funds and an additional 962.0 FTE positions to increase staffing and improve service delivery at current driver license offices.
- Funding for current DMV programs, including vehicle registration and titling, motor carrier credentialing and permitting, motor vehicle industry regulation, and automobile burglary and theft prevention, totals \$314.5 million in All Funds, a decrease of \$14.4 million, which includes the following amounts:
 - decreases of \$13.3 million in General Revenue Funds and \$7.0 million in Other Funds from the State Highway Fund and Texas Department of Motor Vehicles Fund (TxDMV Fund) related to onetime costs for information technology automation projects;

- a decrease of \$2.1 million in Other Funds from the TxDMV Fund for facilities deferred maintenance, repair, and security system projects;
 - an increase of \$4.6 million in Other Funds from the TxDMV Fund for information technology infrastructure improvements and support, including an increase of 12.0 FTE positions for systems and applications support;
 - an increase of \$1.9 million in Other Funds from the TxDMV Fund for increases in the agency's share of certain costs under the Statewide Cost Allocation Plan; and
 - an increase of \$1.5 million in Other Funds from the TxDMV Fund for consumer protection and enforcement systems enhancements and an additional 9.0 FTE positions for consumer relations and customer service.
- \$5.6 million in Other Funds from the TxDMV Fund is provided for agency headquarters and regional service center facilities maintenance and renovation projects.

DEPARTMENT OF TRANSPORTATION

FIGURE 77
DEPARTMENT OF TRANSPORTATION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	CSHB1	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	2020–21	CHANGE	CHANGE
General Revenue Funds	\$3.9	\$3.9	\$0.0	0.0%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$11,046.5	\$11,315.3	\$268.8	2.4%
Other Funds	\$19,794.5	\$19,788.4	(\$6.0)	(0.0%)
Total, All Methods of Finance	\$30,844.8	\$31,107.6	\$262.8	0.9%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTE: 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.

Funding for the Department of Transportation (TxDOT) for the 2020–21 biennium totals \$31.1 billion in All Funds, an increase of \$0.3 billion from the 2018–19 biennium. Funding includes an estimated \$5.0 billion from anticipated state sales tax deposits to the State Highway Fund (SHF) (Other Funds) 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 (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.

HIGHLIGHTS

- Funding for the 2020–21 biennium includes \$19.8 billion in Other Funds for a decrease of \$6.0 million from the 2018–19 biennium and includes the following amounts:
 - \$9.3 billion in Other Funds from the SHF from traditional transportation tax and fee revenue sources for an increase of \$0.7 billion;
 - \$5.0 billion from state sales tax deposits to the SHF (Proposition 7, 2015), an increase of \$0.1 billion, including \$4.4 billion for development and delivery of nontolled roadway projects and \$0.6 billion for debt service payments on Highway Improvement General Obligation bonds (Proposition 12, 2007);
 - \$3.9 billion from oil and natural gas tax-related deposits to the SHF (Proposition 1, 2014) for nontolled roadway projects (an increase of \$0.6 billion), including \$1.0 billion from Proposition 1 balances from previous fiscal years and \$2.9 billion from estimated Proposition 1 deposits to the SHF for the 2020–21 biennium;

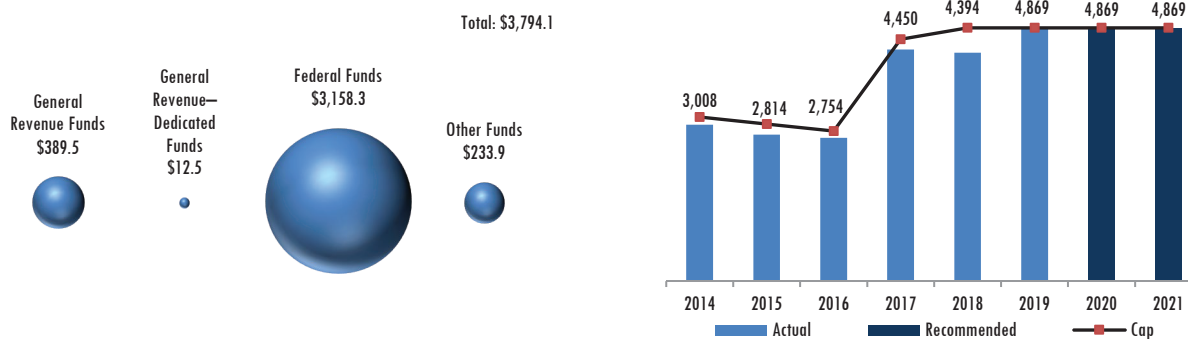
- \$1.0 billion from the Texas Mobility Fund (a decrease of \$0.4 billion) for bond debt service payments and transportation project development and delivery;
- \$0.3 billion in Revenue Bond Proceeds to be issued by the Texas Public Finance Authority on behalf of the Department of Transportation for the construction and equipping of the Austin Campus Consolidation project; and
- a decrease of \$1.3 billion from bond proceeds for transportation projects primarily due to the expenditure of all remaining proceeds authorized for the Proposition 12, Proposition 14 (2003), and Texas Mobility Fund bond programs for the 2018–19 biennium.
- Funding of \$27.2 billion in All Funds is provided for highway planning and design, right-of-way acquisition, construction, and maintenance and preservation, including:
 - \$10.8 billion in Federal Funds;
 - \$7.5 billion from the SHF (Other Funds) from traditional transportation tax and fee revenue sources;
 - \$4.4 billion from state sales tax deposits to the SHF (Proposition 7, 2015);
 - \$3.9 billion from oil and natural gas tax-related deposits to the SHF (Proposition 1, 2014);
 - \$0.3 billion from the SHF from regional toll project proceeds; and
 - \$0.2 billion from the Texas Mobility Fund (Other Funds).
- Funding of \$2.2 billion in All Funds is provided for debt service payments and other financing costs associated with the agency's borrowing programs, including:
 - \$0.8 billion from the SHF (Other Funds) for Proposition 14 bonds;
 - \$0.7 billion from the Texas Mobility Fund (Other Funds) for Texas Mobility Fund bonds;
 - \$0.6 billion from the SHF, Proposition 7, 2015, proceeds for Proposition 12 General Obligation bonds;
 - \$0.1 billion in Federal Funds from Build America Bond interest payment subsidies; and
 - \$1.0 million from the SHF for credit agreements associated with the agency's short-term borrowing program.
- Funding includes an increase of 313.5 full-time-equivalent positions for construction and engineering project management.
- \$218.0 million in SHF is provided for construction, deferred maintenance, and land acquisition for projects included in the agency's facilities master plan.
- \$82.7 million in SHF is provided for information technology and systems modernization projects.
- The House version of the supplemental bill includes \$250.0 million in Economic Stabilization Funds (Other Funds) for the Transportation Infrastructure Fund to provide grants to counties for infrastructure projects located in areas of the state affected by increased oil and gas production.

TEXAS WORKFORCE COMMISSION

FIGURE 78
TEXAS WORKFORCE COMMISSION, BY METHOD OF FINANCE
 (IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2018–19	CSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$382.2	\$389.5	\$7.3	1.9%
General Revenue–Dedicated Funds	\$12.5	\$12.5	\$0.0	0.0%
Federal Funds	\$2,997.5	\$3,158.3	\$160.8	5.4%
Other Funds	\$210.4	\$233.9	\$23.5	11.1%
Total, All Methods of Finance	\$3,602.5	\$3,794.1	\$191.6	5.3%

ALL FUNDS, 2020–21 BIENNium (IN MILLIONS) **FULL-TIME-EQUIVALENT POSITIONS**



NOTE: 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.

Funding for the Texas Workforce Commission (TWC) for the 2020–21 biennium totals \$3.8 billion in All Funds, which includes an All Funds increase of \$191.6 million from the 2018–19 biennium. The increase in funding is related primarily to the increase in federal appropriations for the Child Care and Development Block Grant (CCDBG). TWC is under Strategic Fiscal Review.

HIGHLIGHTS

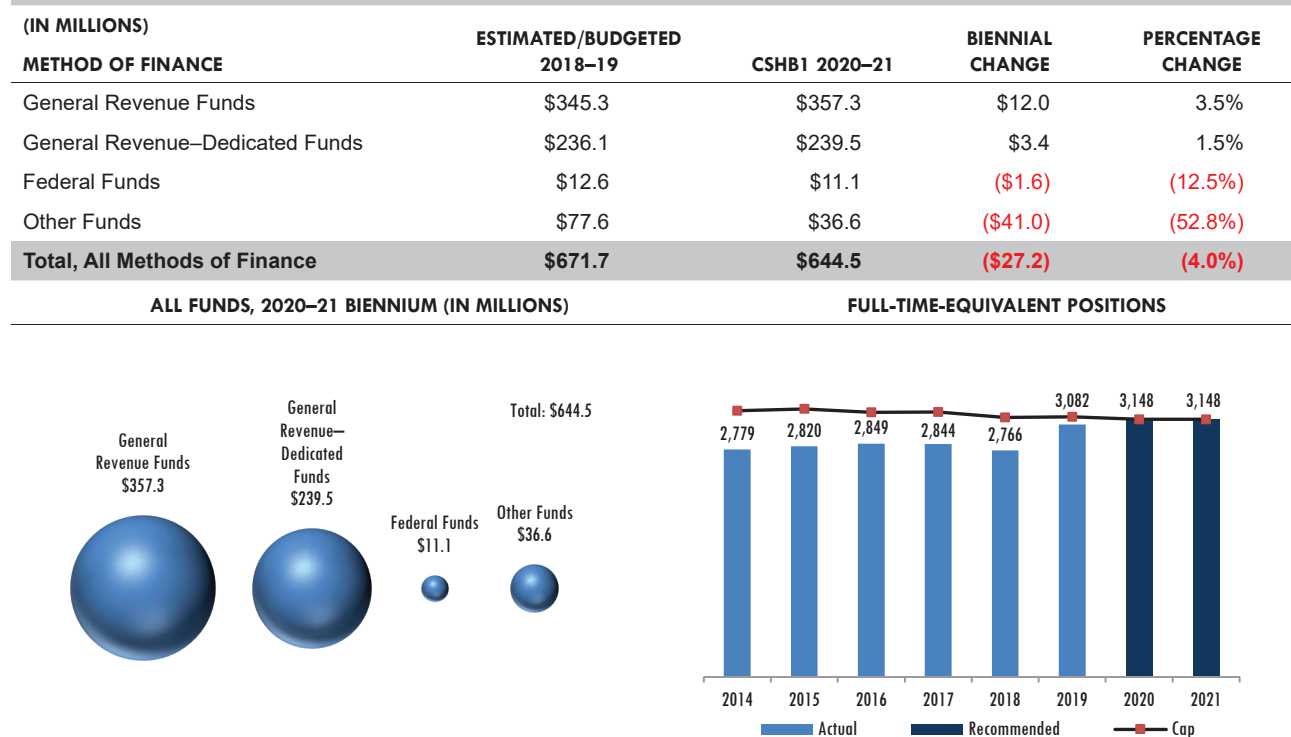
- Funding includes an increase of \$84.6 million in Federal Funds for CCDBG. The federal Consolidated Appropriations Act of 2018 increased the CCDBG appropriation. Texas received approximately \$521.3 million for fiscal year 2018, an increase of approximately \$228.5 million from fiscal year 2017. It is assumed that the increased level of childcare funding will continue for the 2020–21 biennium.
- Funding includes \$140.6 million in General Revenue Funds, \$1.4 billion in Federal Funds, and \$197.5 million in Other Funds for childcare services provided to low-income families and foster care and protective service populations for the 2020–21 biennium. Funding includes an increase of \$15.3 million in Interagency Contracts for the Department of Family and Protective Services childcare services.
- Funding includes \$60.0 million in All Funds for three capital budget projects to replace ten legacy systems for unemployment insurance, workforce case management, and career schools training providers.
- Other federal funding at TWC includes a net increase of \$23.9 million primarily related to an increase in Vocational Rehabilitation grant funds carried forward from the 2018–19 biennium, offset by a decrease in the Workforce

Innovation and Opportunity Act National Emergency grant provided for Hurricane Harvey that is not anticipated for the 2020–21 biennium.

- Funding includes an additional \$6.0 million in General Revenue Funds for the Jobs and Education for Texans (JET) program for a total of \$16.0 million in General Revenue Funds in the 2020–21 biennium. The JET program awards grants to public community and technical colleges and independent school districts to purchase equipment for career and technical education programs.
- The House version of the supplemental bill includes \$8.9 million in Economic Stabilization Funds in fiscal year 2019 for vocational rehabilitation services related to Hurricane Harvey.

ARTICLE VIII – REGULATORY

FIGURE 79
ARTICLE VIII – REGULATORY, 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.
- (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 \$644.5 million for the 2020-21 biennium, a reduction of \$27.2 million, or 4.0 percent from the 2018–19 biennium. The reduction in funding is primarily related to the expiration of the Health Insurance Risk Pool at the Texas Department of Insurance. Pursuant to Texas Insurance Code, Chapter 1510, the Health Insurance Risk Pool expires on August 31, 2019. The regulatory agencies regulate a variety of industries, including health-related occupations, non-health-related occupations, securities, and pari-mutuel racing, and the appropriations and indirect costs for the majority of these regulatory agencies are supported by fees generated from the industries and occupations 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 and Other Funds due to the expiration of

the temporary Health Insurance Risk Pool. 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. The enabling statute expires at the end of the 2018–19 biennium. Decreases are offset by an increase of \$4.4 million in General Revenue Funds to continue the agency’s State Regulatory Response Rider which allows the agency to respond to unexpected changes in the insurance market, including emergencies and natural and man-made disasters.

- Funding for the Public Utility Commission includes a net increase of \$2.3 million in All Funds for the water and wastewater rate program, staffing for increased enforcement activities, the increased cost of State Office of Administrative Hearings 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 \$2.0 million in Economic Stabilization Funds for a new Licensing System and \$0.5 million in General Revenue Funds and 4.0 full-time-equivalent positions for a new Human Trafficking Team in the agency’s Inspections division.
- Funding for the Board of Pharmacy includes an increase of \$0.3 million in Economic Stabilization Funds to replace vehicles, and information technology projects. There is also a decrease of \$0.4 million in General Revenue for one-time costs for capital budget projects, start-up costs for the agency’s Sunset legislation, and one-time funding for lump sum annual leave payouts in 2018–19. Funding includes \$4.4 million for the Prescription Monitoring Program (PMP). The House version of the supplemental bill includes \$6.0 million in General Revenue for upgrades 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 hourly billing rate for Interagency Contracts in Rider 7, Billing Rate for Workload, is increased to \$150.

Figure 80 shows the All Funds appropriation for each agency in Article VIII, and **Figure 81** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for the Texas Department of Licensing and Regulation.

FIGURE 80
ARTICLE VIII – REGULATORY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
FUNCTION	2018–19	CSHB1 2020–21	CHANGE	CHANGE
State Office of Administrative Hearings	\$25.3	\$24.1	(\$1.2)	(4.7%)
Board of Chiropractic Examiners	\$1.7	\$1.7	(\$0.0)	(1.5%)
State Board of Dental Examiners	\$8.7	\$9.1	\$0.4	4.5%
Texas Funeral Service Commission	\$1.7	\$1.7	\$0.0	0.0%
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	\$73.4	\$2.2	3.1%
Texas Medical Board	\$27.5	\$29.2	\$1.7	6.3%
Board of Nursing	\$25.5	\$25.8	\$0.3	1.2%
Texas Optometry Board	\$1.0	\$1.0	\$0.0	1.8%
State Board of Pharmacy	\$18.7	\$20.1	\$1.4	7.7%
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	\$14.8	\$1.5	11.0%
Texas State Securities Board	\$13.7	\$15.1	\$1.4	9.8%
Public Utility Commission	\$32.6	\$34.9	\$2.3	7.0%
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	\$521.2	(\$30.4)	(5.5%)
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	\$644.5	(\$27.2)	(4.0%)

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 81
ARTICLE VIII – REGULATORY, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
FUNCTION	2018–19	CSHB1 2020–21	CHANGE	CHANGE
State Office of Administrative Hearings	\$15.6	\$14.3	(\$1.3)	(8.3%)
Board of Chiropractic Examiners	\$1.5	\$1.5	\$0.0	1.0%
State Board of Dental Examiners	\$8.2	\$8.6	\$0.4	4.8%
Texas Funeral Service Commission	\$1.5	\$1.5	\$0.0	0.0%
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	\$60.8	\$0.2	0.4%
Texas Medical Board	\$20.3	\$22.8	\$2.5	12.5%
Board of Nursing	\$18.1	\$18.4	\$0.3	1.7%
Texas Optometry Board	\$0.9	\$0.9	\$0.0	2.7%
State Board of Pharmacy	\$16.6	\$17.8	\$1.1	6.8%
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	10.0%
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	\$14.8	\$1.0	7.3%
Public Utility Commission	\$26.6	\$27.4	\$0.9	3.2%
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	\$295.2	\$10.8	3.8%
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	\$357.3	\$12.0	3.5%

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.

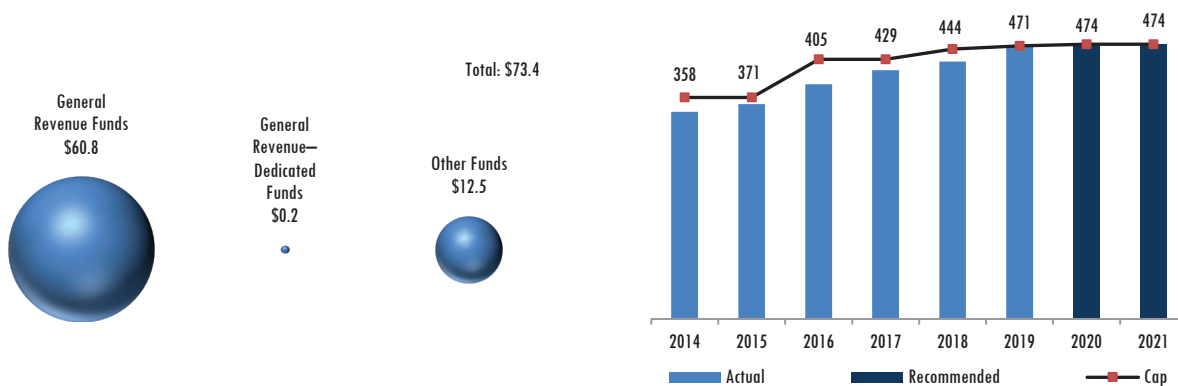
TEXAS DEPARTMENT OF LICENSING AND REGULATION

FIGURE 82
TEXAS DEPARTMENT OF LICENSING AND REGULATION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED		BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	CSHB1 2020–21	CHANGE	CHANGE
General Revenue Funds	\$60.5	\$60.8	\$0.2	0.4%
General Revenue–Dedicated Funds	\$0.2	\$0.2	\$0.0	10.5%
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$10.5	\$12.5	\$2.0	18.5%
Total, All Methods of Finance	\$71.2	\$73.4	\$2.2	3.1%

ALL FUNDS, 2020–21 BIENNium (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTE: 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.

Funding for the Texas Department of Licensing and Regulation for the 2020–21 biennium totals \$73.4 million in All Funds, including \$60.8 million in General Revenue Funds. The Department of Licensing and Regulation is under Strategic Fiscal Review.

HIGHLIGHTS

- The agency regulates 39 license programs with 219 license types and holds more than 800,000 total individual and business licenses.
- Funding includes an increase of \$0.5 million in General Revenue Funds and an additional 4.0 full-time-equivalent (FTE) positions for the agency's new Human Trafficking Team within the Inspections division.
- Funding includes an increase of \$2.0 million in Economic Stabilization Funds for Phase I of a new, non-proprietary Licensing System that can be modified and maintained by agency staff after initial deployment to meet changing business needs.
- Funding includes a decrease of \$0.1 million in General Revenue Funds and a reduction of 1.0 FTE position in agency administration for one-time expenses incurred during the 2018–19 biennium for the implementation of Centralized Accounting and Payroll/Personnel System.
- Funding includes a decrease of \$0.2 million in General Revenue Funds for one-time expenses incurred during the 2018–19 biennium for start-up costs for the regulation of programs and occupations created or transferred to the agency during the 2018–19 biennium, including Transportation Network Companies, Behavior Analysts, and Podiatrists.

-
- The agency estimates generating \$85.0 million in revenue from fees, taxes, and administrative penalties for the 2020–21 biennium.

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

F The left footer shows the version of the appropriations bill. This is the LBB recommended version for the House.

G 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: <u>General Revenue Fund</u>	General Revenue Fund	\$ 105,808,005
	Child Support Retained Collection Account	108,952,182
	Attorney General Debt Collection Receipts	8,300,000
	General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees Account No. 8042	3,411,343
	Subtotal, General Revenue Fund	\$ 226,471,530
	<u>General Revenue Fund - Dedicated</u>	
	Compensation to Victims of Crime Account No. 469	\$ 61,263,780
	Compensation to Victims of Crime Auxiliary Account No. 494	161,349
	AG Law Enforcement Account No. 5006	308,431
	Sexual Assault Program Account No. 5010	10,188,546
	Subtotal, General Revenue Fund - Dedicated	\$ 71,922,106
	Federal Funds	\$ 239,790,659
C Other Funds	Interagency Contracts - Criminal Justice Grants	\$ 951,333
	Appropriated Receipts	33,770,328
	Interagency Contracts	39,890,641
	License Plate Trust Fund Account No. 0802, estimated	31,000
	Subtotal, Other Funds	\$ 74,643,302
	Total, Method of Financing	\$ 612,827,597
This bill pattern represents an estimated 100% of this agency's estimated total available funds for the biennium.		
D Number of Full-Time-Equivalents (FTE):	4,196.4	4,196.4
E Schedule of Exempt Positions: Attorney General, Group 6	\$153,750	\$153,750
F 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.		
	\$ 107,260,509	\$ 107,150,509
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. B.1.2. Strategy: STATE DISBURSEMENT UNIT		
	\$ 362,144,696	\$ 361,678,308
	14,375,236	14,375,236
Total, Goal B: ENFORCE CHILD SUPPORT LAW		
	\$ 376,519,932	\$ 376,053,544
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.		
	\$ 72,067,205	\$ 72,428,653
F A813-LBB House-1-A	G I-3	December 21, 2018

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.

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.

OFFICE OF THE ATTORNEY GENERAL (Continued)		
C.1.2. Strategy: VICTIMS ASSISTANCE		
Provide Grants & Contracts for Victims Svcs/Sexual Asslt Victims.	36,930,703	37,293,367
Total, Goal C: CRIME VICTIMS' SERVICES	\$ 108,997,908	\$ 109,722,020
D. Goal: REFER MEDICAID CRIMES		
Investigate/Refer for Prosecution Fraud/Misconduct Involving Medicaid.		
D.1.1. Strategy: MEDICAID INVESTIGATION	\$ 19,413,443	\$ 19,413,443
Conduct Investigation Supporting Prosecution of Alleged Medicaid Crime.		
E. Goal: ADMINISTRATIVE SUPPORT FOR SORM		
Provide Administrative Support for the State Office of Risk Management.		
E.1.1. Strategy: ADMINISTRATIVE SUPPORT FOR SORM	\$ 635,805	\$ 635,805
Provide Administrative Support to the State Office of Risk Management.		
Grand Total, OFFICE OF THE ATTORNEY GENERAL	<u>\$ 612,827,597</u>	<u>\$ 612,975,321</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 243,293,891	\$ 243,502,673
Other Personnel Costs	8,214,793	8,214,793
Professional Fees and Services	96,467,282	101,177,051
Fuels and Lubricants	350,808	350,808
Consumable Supplies	1,586,457	1,586,457
Utilities	2,987,981	2,987,981
Travel	4,817,716	4,817,716
Rent - Building	23,823,547	25,323,547
Rent - Machine and Other	1,320,110	1,320,110
Other Operating Expense	164,657,892	165,201,612
Grants	52,285,712	52,599,165
Capital Expenditures	13,021,408	5,893,408
Total, Object-of-Expense Informational Listing	<u>\$ 612,827,597</u>	<u>\$ 612,975,321</u>
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
Social Security	17,414,719	17,501,792
Benefits Replacement	342,371	291,015
Subtotal, Employee Benefits	\$ 87,913,875	\$ 88,749,419
<u>Debt Service</u>		
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>
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	1,092,696	1,088,254
Efficiencies:		
Average Cost Per Legal Hour	96.93	96.92
A302-LBB House-1-A	I-4	December 21, 2018

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)

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	12.42	12.18
---	-------	-------

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.

	2018	2019
a. Acquisition of Information Resource Technologies		
(1) Child Support Hardware/Software Enhancements	\$ 100,000	\$ 100,000
(2) Child Support TXCSES 2.0 Single Release	30,690,829	26,406,435
Total, Acquisition of Information Resource Technologies	\$ 30,790,829	\$ 26,506,435
b. Transportation Items		
(1) Child Support Motor Vehicles	\$ 288,000	\$ 192,000
c. Data Center Consolidation		
(1) Data Center Consolidation	\$ 51,636,341	\$ 51,981,462
d. Centralized Accounting and Payroll/Personnel System (CAPPS)		
(1) Converted PeopleSoft Licenses	\$ 57,055	\$ 57,055
(2) CAPPS Transition	1,266,135	2,832,439
Total, Centralized Accounting and Payroll/Personnel System (CAPPS)	\$ 1,323,190	\$ 2,889,494
Total, Capital Budget	\$ 84,038,360	\$ 81,569,391
Method of Financing (Capital Budget):		
General Revenue Fund	\$ 31,210,441	\$ 31,477,881
GR Dedicated - Compensation to Victims of Crime Account No. 469	\$ 268,779	\$ 352,357
Federal Funds	\$ 51,934,855	\$ 49,074,255

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)

Other Funds		
Appropriated Receipts	\$ 493,677	\$ 493,677
Interagency Contracts	130,608	171,221
Subtotal, Other Funds	\$ 624,285	\$ 664,898
Total, Method of Financing	\$ 84,038,360	\$ 81,569,391

	2020	2021
a. Acquisition of Information Resource Technologies		
(1) Child Support Hardware/Software Enhancements	\$ 100,000	\$ 100,000
(2) Child Support TXCSES 2.0 Managed Services	5,000,000	5,000,000
(3) Child Support TXCSES 2.0 Integrated Infrastructure Services	7,200,000	0
Total, Acquisition of Information Resource Technologies	\$ 12,300,000	\$ 5,100,000
b. Transportation Items		
(1) Child Support Motor Vehicles	\$ 312,000	\$ 384,000
c. Data Center Consolidation		
(1) Data Center Consolidation	\$ 50,516,392	\$ 57,869,817
d. Centralized Accounting and Payroll/Personnel System (CAPPS)		
(1) Converted PeopleSoft Licenses	\$ 62,345	\$ 64,216
Total, Capital Budget	\$ 63,190,737	\$ 63,418,033

M

Method of Financing (Capital Budget):

General Revenue Fund	\$ 23,487,486	\$ 23,763,350
GR Dedicated - Compensation to Victims of Crime Account No. 469	\$ 174,910	\$ 191,748
Federal Funds	\$ 38,942,087	\$ 38,867,769
Other Funds		
Appropriated Receipts	\$ 493,677	\$ 493,677
Interagency Contracts	92,577	101,489
Subtotal, Other Funds	\$ 586,254	\$ 595,166
Total, Method of Financing	\$ 63,190,737	\$ 63,418,033

N

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 ~~2018~~2020 and

GENERAL APPROPRIATIONS BILL COMPARISONS

FIGURE B-1
ALL FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/ BUDGETED 2018-19 (1)	HOUSE BILL 1, AS INTRODUCED 2020-21	COMPARISON OF HB1 AS INTRODUCED TO ESTIMATED/BUDGETED		COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 2020-21	COMPARISON OF CSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF CSHB1 TO HB1 AS INTRODUCED	
			\$ CHANGE	% CHANGE		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
Article I – General Government	\$7,503.3	\$6,729.5	(\$773.8)	(10.3%)	\$7,509.2	\$5.9	0.1%	\$779.7	11.6%
Article II – Health and Human Services	\$83,584.2	\$84,826.1	\$1,241.9	1.5%	\$87,600.5	\$4,016.3	4.8%	\$2,774.4	3.3%
Article III – Agencies of Education	\$81,229.0	\$91,687.4	\$10,458.4	12.9%	\$91,567.3	\$10,338.3	12.7%	(\$120.1)	(0.1%)
Public Education	\$60,492.7	\$70,615.3	\$10,122.6	16.7%	\$70,019.9	\$9,527.1	15.7%	(\$595.5)	(0.8%)
Higher Education	\$20,736.3	\$21,072.1	\$335.8	1.6%	\$21,547.4	\$811.1	3.9%	\$475.3	2.3%
Article IV – Judiciary	\$857.1	\$875.4	\$18.4	2.1%	\$955.0	\$97.9	11.4%	\$79.6	9.1%
Article V – Public Safety and Criminal Justice	\$18,378.5	\$15,407.6	(\$2,970.9)	(16.2%)	\$15,884.3	(\$2,494.2)	(13.6%)	\$476.7	3.1%
Article VI – Natural Resources	\$6,566.0	\$8,905.4	\$2,339.4	35.6%	\$9,115.0	\$2,549.0	38.8%	\$209.6	2.4%
Article VII – Business and Economic Development	\$36,587.5	\$37,770.0	\$1,182.5	3.2%	\$37,421.8	\$834.2	2.3%	(\$348.2)	(0.9%)
Article VIII – Regulatory	\$671.7	\$633.7	(\$38.0)	(5.7%)	\$644.5	(\$27.2)	(4.0%)	\$10.8	1.7%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Article X – Legislature	\$392.8	\$392.0	(\$0.8)	(0.2%)	\$392.0	(\$0.8)	(0.2%)	\$0.0	0.0%
Total, All Functions	\$235,770.2	\$247,227.3	\$11,457.1	4.9%	\$251,089.6	\$15,319.5	6.5%	\$3,862.4	1.6%

NOTES:

- (1) 2018-19 Estimated/Budgeted includes certain anticipated supplemental spending adjustments.
- (2) Supplemental bill totals, less anticipated supplemental spending adjustments included in the base.
- (3) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B-2
GENERAL REVENUE FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/ BUDGETED 2018-19 (1)	HOUSE BILL 1, AS INTRODUCED 2020-21	COMPARISON OF HB1 AS INTRODUCED TO ESTIMATED/BUDGETED		COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 2020-21	COMPARISON OF CSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF CSHB1 TO HB1 AS INTRODUCED	
			\$ CHANGE	% CHANGE		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
Article I – General Government	\$3,406.9	\$3,709.0	\$302.2	8.9%	\$3,544.3	\$137.4	4.0%	(\$164.7)	(4.4%)
Article II – Health and Human Services	\$34,716.3	\$33,611.2	(\$1,105.1)	(3.2%)	\$34,676.9	(\$39.4)	(0.1%)	\$1,065.6	3.2%
Article III – Agencies of Education	\$56,458.4	\$63,825.4	\$7,367.1	13.0%	\$63,596.9	\$7,138.6	12.6%	(\$228.5)	(0.4%)
<i>Public Education</i>	\$41,548.7	\$48,677.4	\$7,128.7	17.2%	\$48,041.8	\$6,493.1	15.6%	(\$635.6)	(1.3%)
<i>Higher Education</i>	\$14,909.7	\$15,148.0	\$238.3	1.6%	\$15,555.1	\$645.4	4.3%	\$407.1	2.7%
Article IV – Judiciary	\$490.8	\$541.9	\$51.1	10.4%	\$560.0	\$69.2	14.1%	\$18.1	3.3%
Article V – Public Safety and Criminal Justice	\$11,322.1	\$11,414.9	\$92.7	0.8%	\$11,696.4	\$374.2	3.3%	\$281.5	2.5%
Article VI – Natural Resources	\$910.6	\$786.5	(\$124.1)	(13.6%)	\$829.2	(\$81.4)	(8.9%)	\$42.7	5.4%
Article VII – Business and Economic Development	\$496.5	\$815.4	\$318.9	64.2%	\$825.2	\$328.7	66.2%	\$9.8	1.2%
Article VIII – Regulatory	\$345.3	\$350.4	\$5.1	1.5%	\$357.3	\$12.0	3.5%	\$6.9	2.0%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Article X – Legislature	\$392.7	\$391.8	(\$0.9)	(0.2%)	\$391.8	(\$0.9)	(0.2%)	\$0.0	0.0%
Total, All Functions	\$108,539.7	\$115,446.6	\$6,906.9	6.4%	\$116,478.1	\$7,938.4	7.3%	\$1,031.5	0.9%

NOTES:

- (1) 2018-19 Estimated/Budgeted includes certain anticipated supplemental spending adjustments.
(2) Supplemental bill totals, less anticipated supplemental spending adjustments included in the base.
(3) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B-3
GENERAL REVENUE-DEDICATED FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/ BUDGETED 2018-19 (1)	HOUSE BILL 1, AS INTRODUCED 2020-21	COMPARISON OF HB1 AS INTRODUCED TO ESTIMATED/BUDGETED		COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 2020-21	COMPARISON OF CSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF CSHB1 TO HB1 AS INTRODUCED	
			\$ CHANGE	% CHANGE		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
Article I – General Government	\$858.5	\$583.1	(\$275.4)	(32.1%)	\$605.7	(\$252.7)	(29.4%)	\$22.6	3.9%
Article II – Health and Human Services	\$566.9	\$516.1	(\$50.8)	(9.0%)	\$526.1	(\$40.8)	(7.2%)	\$10.0	1.9%
Article III – Agencies of Education	\$2,822.5	\$2,708.6	(\$113.9)	(4.0%)	\$2,710.6	(\$111.9)	(4.0%)	\$2.0	0.1%
Public Education	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Higher Education	\$2,822.5	\$2,708.6	(\$113.9)	(4.0%)	\$2,710.6	(\$111.9)	(4.0%)	\$2.0	0.1%
Article IV – Judiciary	\$141.1	\$166.1	\$25.0	17.7%	\$197.8	\$56.7	40.2%	\$31.7	19.1%
Article V – Public Safety and Criminal Justice	\$42.0	\$37.3	(\$4.7)	(11.2%)	\$37.9	(\$4.1)	(9.8%)	\$0.6	1.6%
Article VI – Natural Resources	\$1,366.6	\$1,400.8	\$34.2	2.5%	\$1,390.2	\$23.6	1.7%	(\$10.6)	(0.8%)
Article VII – Business and Economic Development	\$571.9	\$573.1	\$1.2	0.2%	\$595.7	\$23.8	4.2%	\$22.6	3.9%
Article VIII – Regulatory	\$236.1	\$238.8	\$2.7	1.2%	\$239.5	\$3.4	1.5%	\$0.7	0.3%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Total, All Functions	\$6,605.5	\$6,223.8	(\$381.7)	(5.8%)	\$6,303.5	(\$301.9)	(4.6%)	\$79.7	1.3%

NOTES:

- (1) 2018-19 Estimated/Budgeted includes certain anticipated supplemental spending adjustments.
- (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)

FUNCTION	ESTIMATED/ BUDGETED 2018-19 (1)	HOUSE BILL 1, AS INTRODUCED 2020-21	COMPARISON OF HB1 AS INTRODUCED TO ESTIMATED/BUDGETED		COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 2020-21	COMPARISON OF CSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF CSHB1 TO HB1 AS INTRODUCED	
			\$ CHANGE	% CHANGE		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
Article I – General Government	\$4,265.4	\$4,292.1	\$26.8	0.6%	\$4,150.0	(\$115.3)	(2.7%)	(\$142.1)	(3.3%)
Article II – Health and Human Services	\$35,283.2	\$34,127.3	(\$1,155.9)	(3.3%)	\$35,203.0	(\$80.2)	(0.2%)	\$1,075.6	3.2%
Article III – Agencies of Education	\$59,280.9	\$66,534.0	\$7,253.2	12.2%	\$66,307.5	\$7,026.7	11.9%	(\$226.5)	(0.3%)
<i>Public Education</i>	\$41,548.7	\$48,677.4	\$7,128.7	17.2%	\$48,041.8	\$6,493.1	15.6%	(\$635.6)	(1.3%)
<i>Higher Education</i>	\$17,732.2	\$17,856.6	\$124.4	0.7%	\$18,265.7	\$533.5	3.0%	\$409.1	2.3%
Article IV – Judiciary	\$631.8	\$707.9	\$76.1	12.0%	\$757.8	\$126.0	19.9%	\$49.9	7.0%
Article V – Public Safety and Criminal Justice	\$11,364.1	\$11,452.1	\$88.0	0.8%	\$11,734.3	\$370.1	3.3%	\$282.1	2.5%
Article VI – Natural Resources	\$2,277.2	\$2,187.3	(\$89.9)	(3.9%)	\$2,219.4	(\$57.8)	(2.5%)	\$32.1	1.5%
Article VII – Business and Economic Development	\$1,068.4	\$1,388.5	\$320.1	30.0%	\$1,420.9	\$352.5	33.0%	\$32.4	2.3%
Article VIII – Regulatory	\$581.4	\$589.2	\$7.8	1.3%	\$596.8	\$15.4	2.7%	\$7.6	1.3%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Article X – Legislature	\$392.7	\$391.8	(\$0.9)	(0.2%)	\$391.8	(\$0.9)	(0.2%)	\$0.0	0.0%
Total, All Functions	\$115,145.1	\$121,670.4	\$6,525.3	5.7%	\$122,781.6	\$7,636.5	6.6%	\$1,111.2	0.9%

NOTES:

- (1) 2018-19 Estimated/Budgeted includes certain anticipated supplemental spending adjustments.
 (2) Supplemental bill totals, less anticipated supplemental spending adjustments included in the base.
 (3) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B–5
FEDERAL FUNDS**

(IN MILLIONS)

FUNCTION	ESTIMATED/ BUDGETED 2018–19 (1)	HOUSE BILL 1, AS INTRODUCED 2020–21	COMPARISON OF HB1 AS INTRODUCED TO ESTIMATED/BUDGETED		COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 2020–21	COMPARISON OF CSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF CSHB1 TO HB1 AS INTRODUCED	
			\$ CHANGE	% CHANGE		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
Article I – General Government	\$1,264.2	\$1,317.4	\$53.2	4.2%	\$1,317.4	\$53.2	4.2%	\$0.0	0.0%
Article II – Health and Human Services	\$46,704.3	\$49,563.8	\$2,859.5	6.1%	\$50,195.9	\$3,491.6	7.5%	\$632.1	1.3%
Article III – Agencies of Education	\$10,802.5	\$11,020.6	\$218.1	2.0%	\$11,020.6	\$218.1	2.0%	\$0.0	0.0%
<i>Public Education</i>	\$10,519.7	\$10,727.2	\$207.5	2.0%	\$10,727.2	\$207.5	2.0%	\$0.0	0.0%
<i>Higher Education</i>	\$282.8	\$293.4	\$10.6	3.7%	\$293.4	\$10.6	3.7%	\$0.0	0.0%
Article IV – Judiciary	\$4.0	\$3.5	(\$0.5)	(12.4%)	\$3.5	(\$0.5)	(12.4%)	\$0.0	0.0%
Article V – Public Safety and Criminal Justice	\$6,748.5	\$3,766.6	(\$2,982.0)	(44.2%)	\$3,694.9	(\$3,053.6)	(45.2%)	(\$71.6)	(1.9%)
Article VI – Natural Resources	\$3,823.6	\$6,307.3	\$2,483.8	65.0%	\$6,307.3	\$2,483.8	65.0%	\$0.0	0.0%
Article VII – Business and Economic Development	\$14,715.8	\$15,080.1	\$364.3	2.5%	\$15,174.2	\$458.4	3.1%	\$94.1	0.6%
Article VIII – Regulatory	\$12.6	\$11.1	(\$1.6)	(12.5%)	\$11.1	(\$1.6)	(12.5%)	\$0.0	0.0%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Total, All Functions	\$84,075.6	\$87,070.3	\$2,994.8	3.6%	\$87,724.9	\$3,649.3	4.3%	\$654.5	0.8%

NOTES:

- (1) 2018–19 Estimated/Budgeted includes certain anticipated supplemental spending adjustments.
(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 BILL 1, AS INTRODUCED 2020–21	COMPARISON OF HB1 AS INTRODUCED TO ESTIMATED/BUDGETED		COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 2020–21	COMPARISON OF CSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF CSHB1 TO HB1 AS INTRODUCED	
			\$ CHANGE	% CHANGE		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
Article I – General Government	\$1,973.7	\$1,120.0	(\$853.7)	(43.3%)	\$2,041.8	\$68.0	3.4%	\$921.8	82.3%
Article II – Health and Human Services	\$1,596.7	\$1,135.0	(\$461.7)	(28.9%)	\$2,201.7	\$605.0	37.9%	\$1,066.7	94.0%
Article III – Agencies of Education	\$11,145.7	\$14,132.8	\$2,987.2	26.8%	\$14,239.2	\$3,093.5	27.8%	\$106.4	0.8%
<i>Public Education</i>	\$8,424.4	\$11,210.8	\$2,786.4	33.1%	\$11,250.9	\$2,826.5	33.6%	\$40.1	0.4%
<i>Higher Education</i>	\$2,721.3	\$2,922.0	\$200.7	7.4%	\$2,988.3	\$267.0	9.8%	\$66.3	2.3%
Article IV – Judiciary	\$221.2	\$164.0	(\$57.2)	(25.9%)	\$193.6	(\$27.6)	(12.5%)	\$29.7	18.1%
Article V – Public Safety and Criminal Justice	\$265.9	\$188.9	(\$76.9)	(28.9%)	\$455.1	\$189.3	71.2%	\$266.2	140.9%
Article VI – Natural Resources	\$465.2	\$410.8	(\$54.4)	(11.7%)	\$588.2	\$123.0	26.4%	\$177.5	43.2%
Article VII – Business and Economic Development	\$20,803.3	\$21,301.4	\$498.0	2.4%	\$20,826.7	\$23.3	0.1%	(\$474.7)	(2.2%)
Article VIII – Regulatory	\$77.6	\$33.4	(\$44.2)	(57.0%)	\$36.6	(\$41.0)	(52.8%)	\$3.2	9.5%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Article X – Legislature	\$0.1	\$0.2	\$0.1	133.0%	\$0.2	\$0.1	133.0%	\$0.0	0.0%
Total, All Functions	\$36,549.4	\$38,486.5	\$1,937.1	5.3%	\$40,583.1	\$4,033.7	11.0%	\$2,096.6	5.4%

NOTES:

- (1) 2018–19 Estimated/Budgeted includes certain anticipated supplemental spending adjustments.
(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)

FUNCTION	ESTIMATED/ BUDGETED 2018-19 (1)	HOUSE BILL 1, AS INTRODUCED 2020-21	COMPARISON OF HB1 AS INTRODUCED TO ESTIMATED/BUDGETED		COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 2020-21	COMPARISON OF CSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF CSHB1 TO HB1 AS INTRODUCED	
			\$ CHANGE	% CHANGE		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
Article I – General Government	\$6,239.1	\$5,412.1	(\$827.0)	(13.3%)	\$6,191.8	(\$47.3)	(0.8%)	\$779.7	14.4%
Article II – Health and Human Services	\$36,879.9	\$35,262.3	(\$1,617.6)	(4.4%)	\$37,404.7	\$524.8	1.4%	\$2,142.3	6.1%
Article III – Agencies of Education	\$70,426.5	\$80,666.9	\$10,240.3	14.5%	\$80,546.7	\$10,120.2	14.4%	(\$120.1)	(0.1%)
<i>Public Education</i>									
<i>Higher Education</i>									
Article IV – Judiciary	\$49,973.1	\$59,888.1	\$9,915.1	19.8%	\$59,292.7	\$9,319.6	18.6%	(\$595.5)	(1.0%)
	\$20,453.5	\$20,778.6	\$325.1	1.6%	\$21,254.0	\$800.5	3.9%	\$475.4	2.3%
Article V – Public Safety and Criminal Justice	\$853.0	\$871.9	\$18.9	2.2%	\$951.5	\$98.4	11.5%	\$79.6	9.1%
	\$11,630.0	\$11,641.1	\$11.1	0.1%	\$12,189.4	\$559.4	4.8%	\$548.3	4.7%
Article VI – Natural Resources	\$2,742.4	\$2,598.1	(\$144.3)	(5.3%)	\$2,807.6	\$65.2	2.4%	\$209.6	8.1%
Article VII – Business and Economic Development	\$21,871.7	\$22,689.9	\$818.1	3.7%	\$22,247.6	\$375.8	1.7%	(\$442.3)	(1.9%)
Article VIII – Regulatory	\$659.1	\$622.6	(\$36.4)	(5.5%)	\$633.5	(\$25.6)	(3.9%)	\$10.8	1.7%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Article X – Legislature	\$392.8	\$392.0	(\$0.8)	(0.2%)	\$392.0	(\$0.8)	(0.2%)	\$0.0	0.0%
Total, All Functions	\$151,694.6	\$160,156.9	\$8,462.4	5.6%	\$163,364.8	\$11,670.2	7.7%	\$3,207.8	2.0%

NOTES:

- (1) 2018-19 Estimated/Budgeted includes certain anticipated supplemental spending adjustments.
- (2) Supplemental bill totals, less anticipated supplemental spending adjustments included in the base.
- (3) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

