



LEGISLATIVE BUDGET BOARD

Summary of Legislative Budget Estimates 2024–25 Biennium

SENATE

**SUBMITTED TO THE EIGHTY-EIGHTH TEXAS LEGISLATURE
PREPARED BY LEGISLATIVE BUDGET BOARD STAFF**

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INTRODUCTION

This summary of the General Appropriations Bill publication provides an overview of the appropriations included in the General Appropriations Bill, otherwise known as the state budget. The version of the General Appropriations Bill that becomes law, after being passed by the Legislature and signed by the Governor, is referred to as the General Appropriations Act (GAA). This enacted legislation is the state’s budget for a two-year period (biennium). The Legislative Budget Board (LBB) 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 No. 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 that are not included in the General Revenue Fund, whether they are 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** show total recommended appropriations for the 2024–25 biennium by each method of finance for each article in the bill compared to the 2022–23 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 2022–23 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, a description of restricted versus unrestricted appropriations, insights into the Economic Stabilization Fund (commonly known as 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 2022–23 biennium,

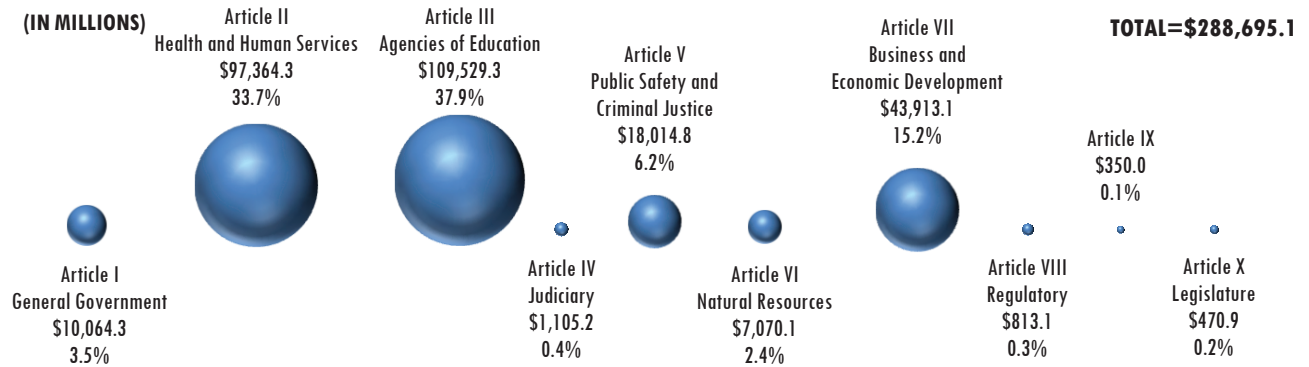
recommended appropriation levels in the 2024–25 General Appropriations Bill, full-time-equivalent positions for the article, and other significant fiscal issues. Some chapters also include additional detail at the agency level. An agency appears in the summary if it meets certain criteria, including: (1) the agency’s budget is one of the 25 largest in the state; or (2) the agency program or function is of significant policy or fiscal importance.

In addition, the Eighty-sixth Legislature, 2019, added the Texas Government Code, Section 322.0175, to require the LBB to perform a strategic fiscal review (SFR) of each state agency that is subject to the legislative appropriations process and also subject to Sunset Advisory Commission (SAC) review during the current fiscal biennium. Whereas SAC analyzes the continuing public need for a state agency and its functions, the LBB’s SFR process analyzes the justification, accountability, and sufficiency of agency funding. Each agency that is subject to the SFR process as initiated by legislative leadership during the Eighty-seventh Legislature, 2021, interim also appears in the summary except where noted.

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.

RECOMMENDATIONS BY ARTICLE

FIGURE 1
RECOMMENDATIONS 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
RECOMMENDATIONS BY ARTICLE, ALL FUNDS

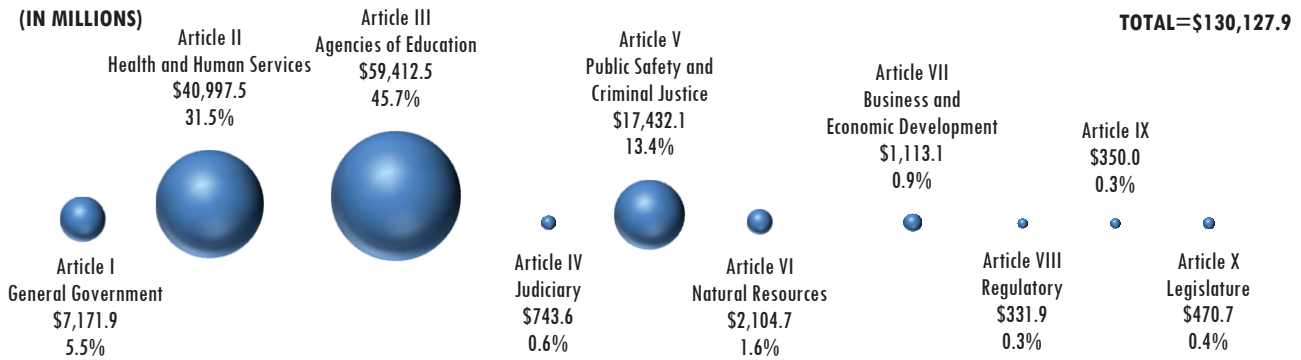
(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$13,556.2	\$10,064.3	(\$3,491.9)	(25.8%)
Article II – Health and Human Services	\$108,941.2	\$97,364.3	(\$11,576.9)	(10.6%)
Article III – Agencies of Education	\$101,731.6	\$109,529.3	\$7,797.7	7.7%
<i>Public Education</i>	\$71,019.7	\$79,303.4	\$8,283.7	11.7%
<i>Higher Education</i>	\$30,711.9	\$30,225.9	(\$486.0)	(1.6%)
Article IV – Judiciary	\$992.5	\$1,105.2	\$112.7	11.4%
Article V – Public Safety and Criminal Justice	\$13,636.2	\$18,014.8	\$4,378.6	32.1%
Article VI – Natural Resources	\$11,240.7	\$7,070.1	(\$4,170.6)	(37.1%)
Article VII – Business and Economic Development	\$45,824.0	\$43,913.1	(\$1,911.0)	(4.2%)
Article VIII – Regulatory	\$828.8	\$813.1	(\$15.6)	(1.9%)
Article IX – General Provisions	\$0.0	\$350.0	\$350.0	N/A
Article X – Legislature	\$433.5	\$470.9	\$37.4	8.6%
Total, All Articles	\$297,184.7	\$288,695.1	(\$8,489.5)	(2.9%)

NOTES:

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

SOURCE: Legislative Budget Board.

**FIGURE 3
RECOMMENDATIONS 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.

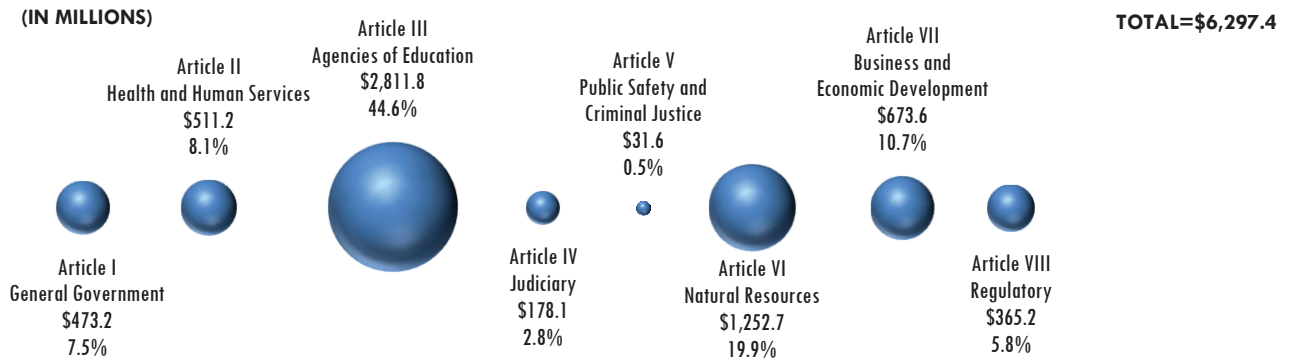
**FIGURE 4
RECOMMENDATIONS BY ARTICLE, GENERAL REVENUE FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$7,877.6	\$7,171.9	(\$705.7)	(9.0%)
Article II – Health and Human Services	\$37,511.9	\$40,997.5	\$3,485.6	9.3%
Article III – Agencies of Education	\$57,674.7	\$59,412.5	\$1,737.8	3.0%
<i>Public Education</i>	\$40,490.0	\$38,420.7	(\$2,069.2)	(5.1%)
<i>Higher Education</i>	\$17,184.7	\$20,991.8	\$3,807.0	22.2%
Article IV – Judiciary	\$597.7	\$743.6	\$145.9	24.4%
Article V – Public Safety and Criminal Justice	\$11,887.7	\$17,432.1	\$5,544.4	46.6%
Article VI – Natural Resources	\$1,379.4	\$2,104.7	\$725.3	52.6%
Article VII – Business and Economic Development	\$508.1	\$1,113.1	\$605.0	119.1%
Article VIII – Regulatory	\$309.5	\$331.9	\$22.3	7.2%
Article IX – General Provisions	\$0.0	\$350.0	\$350.0	N/A
Article X – Legislature	\$433.4	\$470.7	\$37.3	8.6%
Total, All Articles	\$118,180.0	\$130,127.9	\$11,947.9	10.1%

NOTES:
 (1) May include anticipated supplemental spending adjustments.
 (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

**FIGURE 5
RECOMMENDATIONS BY ARTICLE, GENERAL REVENUE–DEDICATED FUNDS**



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

**FIGURE 6
RECOMMENDATIONS BY ARTICLE, GENERAL REVENUE–DEDICATED FUNDS**

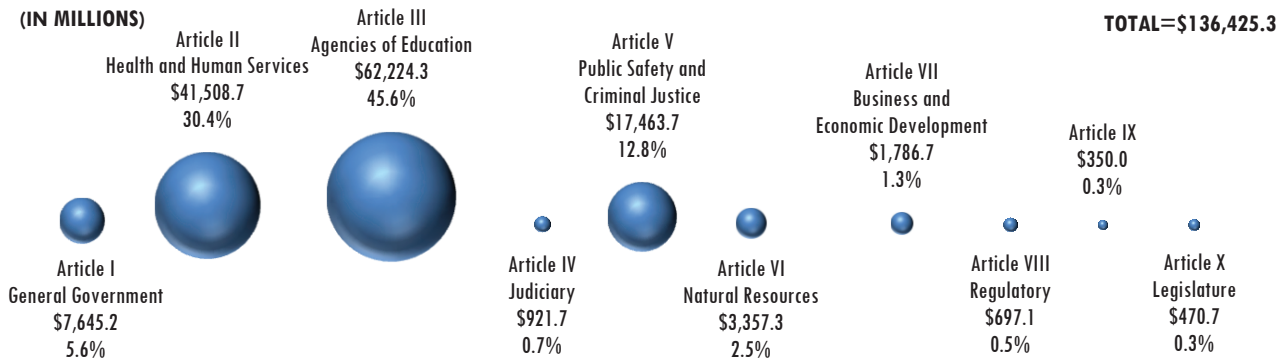
(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$866.1	\$473.2	(\$392.8)	(45.4%)
Article II – Health and Human Services	\$501.3	\$511.2	\$10.0	2.0%
Article III – Agencies of Education	\$2,859.2	\$2,811.8	(\$47.5)	(1.7%)
<i>Public Education</i>	\$0.0	\$0.0	\$0.0	N/A
<i>Higher Education</i>	\$2,859.2	\$2,811.8	(\$47.5)	(1.7%)
Article IV – Judiciary	\$197.9	\$178.1	(\$19.8)	(10.0%)
Article V – Public Safety and Criminal Justice	\$54.1	\$31.6	(\$22.4)	(41.5%)
Article VI – Natural Resources	\$1,238.0	\$1,252.7	\$14.6	1.2%
Article VII – Business and Economic Development	\$677.4	\$673.6	(\$3.8)	(0.6%)
Article VIII – Regulatory	\$355.8	\$365.2	\$9.4	2.6%
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	\$6,749.8	\$6,297.4	(\$452.4)	(6.7%)

NOTES:

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

SOURCE: Legislative Budget Board.

**FIGURE 7
RECOMMENDATIONS BY ARTICLE, GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS**



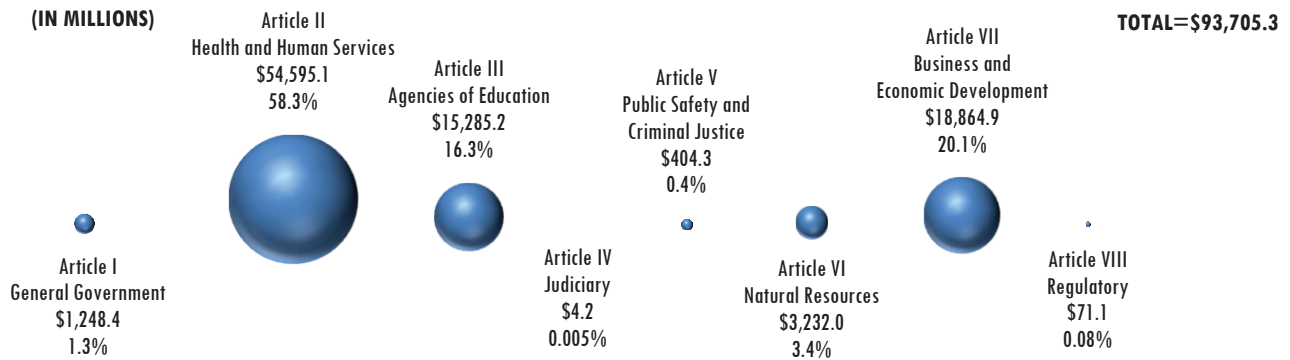
NOTE: Object size is proportional to the percentage of recommended General Revenue Funds and General Revenue–Dedicated Funds appropriation for all articles.
SOURCE: Legislative Budget Board.

**FIGURE 8
RECOMMENDATIONS BY ARTICLE, GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$8,743.7	\$7,645.2	(\$1,098.5)	(12.6%)
Article II – Health and Human Services	\$38,013.1	\$41,508.7	\$3,495.6	9.2%
Article III – Agencies of Education	\$60,533.9	\$62,224.3	\$1,690.3	2.8%
<i>Public Education</i>	\$40,490.0	\$38,420.7	(\$2,069.2)	(5.1%)
<i>Higher Education</i>	\$20,044.0	\$23,803.5	\$3,759.6	18.8%
Article IV – Judiciary	\$795.6	\$921.7	\$126.1	15.8%
Article V – Public Safety and Criminal Justice	\$11,941.8	\$17,463.7	\$5,521.9	46.2%
Article VI – Natural Resources	\$2,617.4	\$3,357.3	\$739.9	28.3%
Article VII – Business and Economic Development	\$1,185.5	\$1,786.7	\$601.2	50.7%
Article VIII – Regulatory	\$665.3	\$697.1	\$31.7	4.8%
Article IX – General Provisions	\$0.0	\$350.0	\$350.0	N/A
Article X – Legislature	\$433.4	\$470.7	\$37.3	8.6%
Total, All Articles	\$124,929.8	\$136,425.3	\$11,495.5	9.2%

NOTES:
 (1) May include anticipated supplemental spending adjustments.
 (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCE: Legislative Budget Board.

**FIGURE 9
RECOMMENDATIONS 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
RECOMMENDATIONS BY ARTICLE, FEDERAL FUNDS**

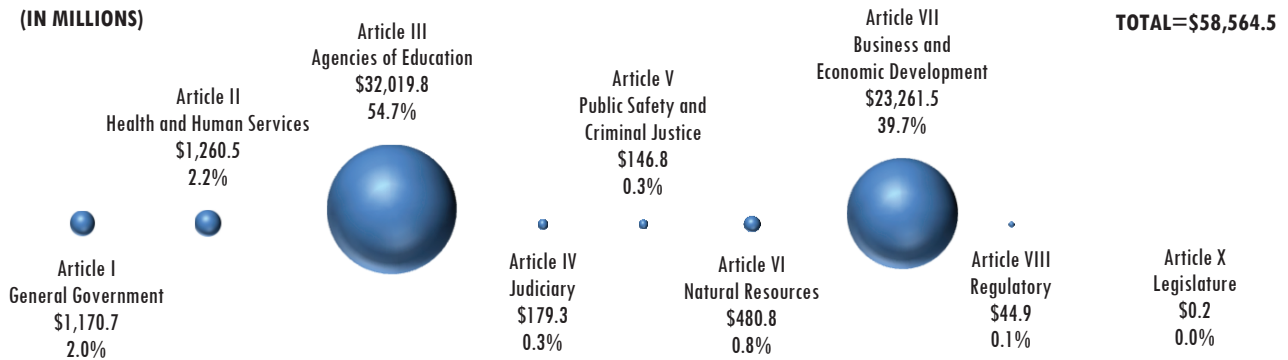
(IN MILLIONS)	ESTIMATED/BUDGETED 2022-23	RECOMMENDED 2024-25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$2,727.0	\$1,248.4	(\$1,478.5)	(54.2%)
Article II – Health and Human Services	\$69,491.4	\$54,595.1	(\$14,896.3)	(21.4%)
Article III – Agencies of Education	\$20,808.8	\$15,285.2	(\$5,523.6)	(26.5%)
<i>Public Education</i>	\$13,461.1	\$12,517.4	(\$943.7)	(7.0%)
<i>Higher Education</i>	\$7,347.6	\$2,767.8	(\$4,579.8)	(62.3%)
Article IV – Judiciary	\$14.9	\$4.2	(\$10.6)	(71.6%)
Article V – Public Safety and Criminal Justice	\$1,474.7	\$404.3	(\$1,070.5)	(72.6%)
Article VI – Natural Resources	\$7,787.0	\$3,232.0	(\$4,555.0)	(58.5%)
Article VII – Business and Economic Development	\$22,360.1	\$18,864.9	(\$3,495.2)	(15.6%)
Article VIII – Regulatory	\$68.6	\$71.1	\$2.5	3.7%
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	\$124,732.4	\$93,705.3	(\$31,027.2)	(24.9%)

NOTES:

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

SOURCE: Legislative Budget Board.

**FIGURE 11
RECOMMENDATIONS BY ARTICLE, OTHER FUNDS**



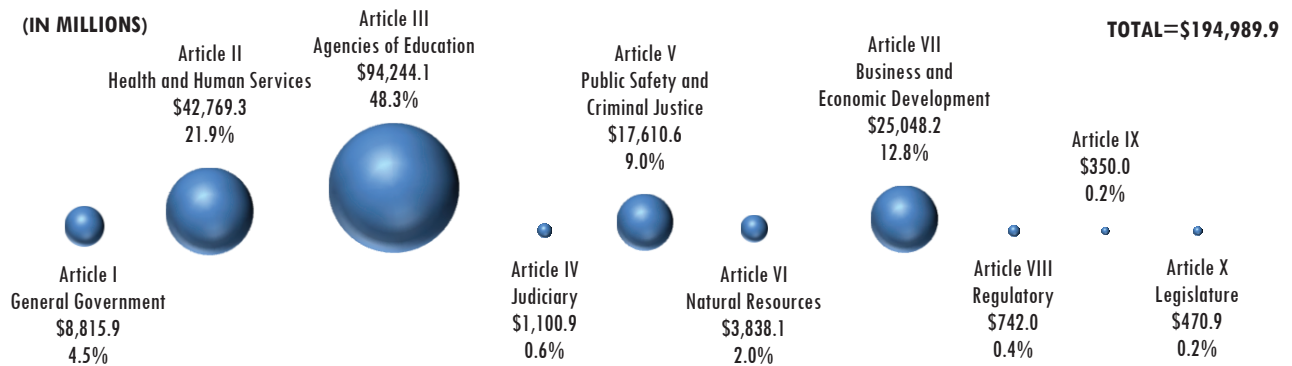
NOTE: Object size is proportional to the percentage of recommended Other Funds appropriation for all articles.
SOURCE: Legislative Budget Board.

**FIGURE 12
RECOMMENDATIONS BY ARTICLE, OTHER FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED 2022-23	RECOMMENDED 2024-25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$2,085.6	\$1,170.7	(\$914.9)	(43.9%)
Article II – Health and Human Services	\$1,436.7	\$1,260.5	(\$176.2)	(12.3%)
Article III – Agencies of Education	\$20,388.9	\$32,019.8	\$11,631.0	57.0%
<i>Public Education</i>	\$17,068.7	\$28,365.3	\$11,296.7	66.2%
<i>Higher Education</i>	\$3,320.2	\$3,654.5	\$334.3	10.1%
Article IV – Judiciary	\$182.0	\$179.3	(\$2.8)	(1.5%)
Article V – Public Safety and Criminal Justice	\$219.7	\$146.8	(\$72.8)	(33.2%)
Article VI – Natural Resources	\$836.3	\$480.8	(\$355.5)	(42.5%)
Article VII – Business and Economic Development	\$22,278.4	\$23,261.5	\$983.1	4.4%
Article VIII – Regulatory	\$94.9	\$44.9	(\$49.9)	(52.6%)
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$0.1	\$0.2	\$0.2	294.9%
Total, All Articles	\$47,522.4	\$58,564.5	\$11,042.1	23.2%

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, totals may not sum due to rounding.
 SOURCE: Legislative Budget Board.

FIGURE 13
RECOMMENDATIONS 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
RECOMMENDATIONS BY ARTICLES, GENERAL REVENUE FUNDS, GENERAL REVENUE–DEDICATED FUNDS, AND OTHER FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$10,829.2	\$8,815.9	(\$2,013.4)	(18.6%)
Article II – Health and Human Services	\$39,449.8	\$42,769.3	\$3,319.4	8.4%
Article III – Agencies of Education	\$80,922.8	\$94,244.1	\$13,321.3	16.5%
<i>Public Education</i>	\$57,558.6	\$66,786.0	\$9,227.4	16.0%
<i>Higher Education</i>	\$23,364.2	\$27,458.0	\$4,093.8	17.5%
Article IV – Judiciary	\$977.6	\$1,100.9	\$123.3	12.6%
Article V – Public Safety and Criminal Justice	\$12,161.5	\$17,610.6	\$5,449.1	44.8%
Article VI – Natural Resources	\$3,453.7	\$3,838.1	\$384.4	11.1%
Article VII – Business and Economic Development	\$23,463.9	\$25,048.2	\$1,584.2	6.8%
Article VIII – Regulatory	\$760.2	\$742.0	(\$18.2)	(2.4%)
Article IX – General Provisions	\$0.0	\$350.0	\$350.0	N/A
Article X – Legislature	\$433.5	\$470.9	\$37.4	8.6%
Total, All Articles	\$172,452.3	\$194,989.9	\$22,537.6	13.1%

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, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

HIGHLIGHTS OF THE RECOMMENDATIONS

For the 2024–25 biennium, funding recommendations include the following key budget items:

FOUNDATION SCHOOL PROGRAM

- Funding of \$57.6 billion in All Funds is recommended for state aid to school districts and charter schools through the Foundation School Program (FSP), which represents a \$9.8 billion increase from the 2022–23 biennium. Appropriations from General Revenue Funds for the FSP total \$29.9 billion, which represents a decrease of \$1.4 billion from the 2022–23 biennium.
- Recommendations for property tax relief include \$15.0 billion in increased funding from the General Revenue Fund and the Property Tax Relief Fund and a reduction of \$2.2 billion in recapture payments. Estimated costs of district property tax compression required by current law during the 2024–25 biennium totals \$5.3 billion in General Revenue Funds. Of this amount, \$3.1 billion in General Revenue Funds is due to property tax compression pursuant to the Texas Education Code, Sections 48.2551 and 48.2552(a) and (b), and \$2.2 billion is required to reduce the state compression percentage pursuant to the Texas Education Code, Section 48.2552(c). Additionally, recommendations provide \$9.7 billion from the Property Tax Relief Fund for additional property tax relief in future fiscal years, pursuant to Texas Education Agency, Rider 81, \$3.0 billion of which is to be used to increase the homestead exemption pursuant to the Texas Tax Code, Section 11.13(b), from \$40,000 to \$70,000. Any decreases to recapture payments related to the \$9.7 billion currently are not represented in recommendations.
- Recommended funding for the FSP fully funds requirements in current law and includes an estimated \$2.5 billion in All Funds for student enrollment growth; \$6.4 billion in All Funds savings due to district property value growth; \$12.8 billion in All Funds for additional state aid related to property tax relief; and \$2.4 billion in All Funds related to an increase in the golden penny yield.
- Recommended funding from Other Funds for the FSP increases by \$11.2 billion, which is attributable to projected increases of \$1.7 billion in recapture payments, \$9.3 billion from the Property Tax Relief Fund, and \$185.5 million from the Tax Reduction and Excellence in Education Fund. Of this total, \$9.7 billion is attributable to a transfer from the General Revenue Fund to the Property Tax Relief Fund intended for additional property tax relief pursuant to Rider 81. Increased recapture payments for the 2024–25 biennium represent significant district property value growth during fiscal year 2023.

MEDICAID

- Funding recommendations for the 2024–25 biennium include \$76.9 billion in All Funds, including \$30.0 billion in General Revenue Funds and \$0.1 billion in General Revenue–Dedicated Funds, for the Texas Medicaid program. This amount is a decrease of \$7.9 billion in All Funds, but a \$1.5 billion increase in General Revenue Funds, compared to 2022–23 biennial levels.
- Included in these amounts is \$71.7 billion in All Funds for Medicaid client services, \$1.8 billion in All Funds for programs supported by Medicaid funding, and \$3.4 billion in All Funds for administration of the Medicaid program and other programs supported by Medicaid funding. The net decrease in Medicaid funding is due to a \$8.2 billion decrease in All Funds for Medicaid client services, offset by a \$0.1 billion increase in All Funds for administrative funding, and a \$0.1 billion increase in All Funds for other programs supported by Medicaid funding.
- Less favorable federal medical assistance percentages (FMAP), combined with the assumed loss of the 6.2 percentage point increase to FMAP pursuant to the federal Families First Coronavirus Response Act, result in a lower proportion of the program being funded with Federal Funds. The resulting increase in General Revenue Funds demand is offset partially by a decrease in General Revenue Funds demand due to the overall projected reduction in Medicaid client services. Full funding for anticipated increases in cost due to medical inflation, higher utilization, or increased acuity is not included.

- The 2022–23 biennial amounts for Medicaid assume supplemental funding to address supplemental needs to complete fiscal year 2023 expenditures.

TRANSPORTATION

- Funding recommendations provide \$35.6 billion in All Funds for all functions at the Texas Department of Transportation (TxDOT). Estimated funding for the 2024–25 biennium includes \$21.1 billion in Other Funds from all State Highway Fund (SHF) revenue sources, which includes the following amounts: \$6.2 billion from anticipated state sales tax and motor vehicle sales and rental tax deposits to the SHF (Proposition 7, 2015); \$5.4 billion from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014); and \$9.5 billion from all other SHF tax and fee revenue sources.
- Funding recommendations provide \$30.5 billion in All Funds for highway planning and design, right-of-way acquisition, construction, and maintenance and preservation. The All Funds amount includes \$12.3 billion in Federal Funds; \$18.1 billion from all SHF revenue sources; and \$0.2 billion in Other Funds from the Texas Mobility Fund.
- Funding recommendations provide \$2.2 billion in All Funds for debt service payments and other financing costs associated with TxDOT borrowing programs, including \$1.3 billion in Other Funds from SHF revenue sources; \$0.8 billion in Other Funds from the Texas Mobility Fund; and \$117.6 million in Federal Funds from Build America Bond interest payment subsidies.

BEHAVIORAL HEALTH

- Funding recommendations include \$5.5 billion in All Funds, including \$4.4 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 26 agencies across six articles and includes the following areas: 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 and substance abuse treatment for incarcerated offenders; mental healthcare services for veterans; and other services.
- Medicaid expenditures for behavioral health services are estimated to total \$3.4 billion in All Funds for the 2024–25 biennium. CHIP expenditures are estimated to total \$91.2 million in All Funds. Total behavioral health-related funding recommendations, including estimated Medicaid and CHIP expenditures, are estimated to be \$9.0 billion in All Funds for the biennium.

CHILD PROTECTIVE SERVICES

- Funding of \$4.0 billion in All Funds, including \$2.5 billion in General Revenue Funds, is recommended for all Child Protective Services (CPS) functions at the Department of Family and Protective Services. This amount is an increase of \$196.3 million in All Funds, including \$350.7 million in General Revenue Funds, from the 2022–23 biennium.
- CPS funding recommendations include \$2.0 billion in All Funds, including \$1.1 billion in General Revenue Funds, for client services programs, including foster care, adoption subsidies, permanency care assistance payments, relative caregiver payments, and day care. Funding includes \$100.0 million in General Revenue Funds for foster care rate increases.
- Funding recommendations include \$1.8 billion in All Funds, including \$1.3 billion in General Revenue Funds, for CPS direct delivery staff, including services provided through Community-based Care (CBC). This amount includes increased funding to biennialize CBC expansion that occurred during fiscal year 2022 for Stage II in Regions 1 and 8B and Stage I in Regions 3E, 9, 4, and 5. This amount also provides funding to expand CBC into Stage I in Regions 8A, 6A, 6B, and 10. In addition, funding is provided to biennialize caseworkers to maintain fiscal year 2023 appropriated caseworkers into the 2024–25 biennium to comply with court-mandated caseload per worker guidelines.

HIGHER EDUCATION FORMULA FUNDING

- Higher education formulas are supported by \$8.8 billion in General Revenue Funds and \$1.7 billion in General Revenue–Dedicated Funds. Included in these recommended amounts are an increase of \$193.8 million in General Revenue Funds and a decrease of \$27.5 million in General Revenue–Dedicated Funds, primarily for statutory tuition.
- Funding for the general academic institutions (GAI) Instruction and Operations (I&O) formula is recommended at \$55.66 per weighted semester credit hour, maintaining the rate from the 2022–23 biennium. Funding for the GAI Infrastructure formula also maintains the 2022–23 biennial rate of \$5.47 per predicted square foot. Funding for the formulas for health-related institutions (HRI) I&O, Infrastructure Support, Graduate Medical Education, and HRI Research Enhancement is maintained at 2022–23 biennial rates.

TEACHER RETIREMENT AND HEALTH BENEFITS

- Funding of \$5.8 billion in All Funds is recommended for the state contribution to retirement benefits of the Teacher Retirement System of Texas (TRS), including \$5,703.0 million in General Revenue Funds, \$73.7 million in General Revenue–Dedicated Funds, and \$14.2 million in Other Funds from the Teacher Retirement System Trust Fund. Funding amounts represent a state contribution rate of 8.25 percent of employee payroll for fiscal years 2024 and 2025, increases from the required 7.75 and 8.0 percent of payroll in fiscal years 2022 and 2023, respectively, pursuant to Senate Bill 12, Eighty-sixth Legislature, 2019. Retiree health insurance funding totals \$960.2 million in General Revenue Funds to provide a statutorily required state contribution to TRS-Care of 1.25 percent of public education payroll. Funding levels are anticipated to be sufficient to maintain current TRS-Care premiums and benefits for the 2024–25 biennium.
- Funding recommendations for TRS assume 3.6 percent annual payroll growth for public education retirement, 6.0 percent annual payroll growth for higher education retirement, and 3.6 percent annual payroll growth for TRS-Care.

ADULT CORRECTIONS

- Funding of \$7,981.0 million in All Funds, including \$7,814.5 million in General Revenue Funds, is recommended 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, as well as agency administration. Recommended funding for correctional managed healthcare (CMHC) totals \$1,394.3 million. Total All Funds recommendations increased by \$877.2 million from the 2022–23 biennium, which consists of the following increases in General Revenue Funds:
 - \$374.8 million to biennialize a 15.0 percent Correctional Officer pay raise provided in April 2022;
 - \$300.1 million for state employee salary increases;
 - \$112.6 million to fund local adult probation departments, including a pay increase for local probation department employees;
 - \$56.7 million for CMHC to provide a pay increase for certain CMHC system employees;
 - \$48.7 million for the resumption of services at the privately operated Bradshaw State Jail and for contracted per diem rate increases at other privately operated facilities;
 - \$23.9 million for the purchase of body-worn cameras for the 23 maximum security units;
 - \$20.5 million for data center services;

- \$11.0 million to fund adult probation and parole at Legislative Budget Board July 2022 projections and fiscal year 2023 cost per day;
 - \$4.0 million to restore funds transferred from TDCJ to the Office of the Secretary of State;
 - \$3.1 million to fund a new sheltered housing facility at the Montford Unit;
 - \$3.0 million to fund the vocational programs required by House Bill 2352, Eighty-seventh Legislature, Regular Session, 2021; and
 - \$0.2 million to fund the relocation of the Board of Pardons and Paroles' Institutional Parole Office in San Antonio.
- These increases were offset by a \$35.5 million decrease in General Revenue Funds for onetime funding for vehicles and the electronic health record project; a decrease of \$24.2 million from the Economic Stabilization Fund for onetime funding for the corrections information technology system project; a decrease of \$17.4 million in Federal Funds to account for an anticipated reduction in grant awards; and a decrease of \$4.2 million in Other Funds to adjust anticipated Interagency Contracts and Appropriated Receipts according to agency projections.
 - Projected incarceration populations are 132,040 and 132,875 for fiscal years 2024 and 2025, respectively. Projected felony direct community supervision populations are 137,499 and 141,136 for fiscal years 2024 and 2025, respectively. Projected parole populations are 83,405 and 84,225 for fiscal years 2024 and 2025, respectively.

BORDER SECURITY

- Funding recommendations include \$4,639.3 million in All Funds for border security efforts at 13 state agencies across several articles of government. The majority of recommended border security funding is appropriated to three agencies: \$2,265.5 million to the Texas Military Department (TMD); \$1,194.6 million to the Department of Public Safety (DPS), and \$1,043.7 million to the Office of the Governor (OOG).
- The Eighty-seventh Legislature, 2021, appropriated funding for Operation Lone Star (OLS) to 13 agencies in three bills: \$1,013.4 million in Senate Bill 1, Regular Session; \$110.3 million in House Bill 2, Regular Session; and \$1,802.6 million in House Bill 9, Second Called Session. Subsequent leadership transfers of \$479.7 million in January 2022, \$495.3 million in April 2022, and \$359.7 million through the October 2022 budget execution order directed funds primarily to TMD for OLS expenses. These and other items increased the total 2022–23 budgeted amount for border security to \$4,396.0 million.
- Recommendations for the 2024–25 biennium provide \$2,265.5 million in General Revenue Funds for border security at TMD, including a \$613.0 million increase for OLS operations and a \$73.0 million increase to raise the State Active Duty per diem rates. The State and National Guard supports OLS by maintaining security points, conducting mobile land and river patrols, and constructing temporary fencing and barriers along the Texas-Mexico border. In the 2022–23 biennium, TMD was appropriated \$411.9 million in General Revenue Funds for border security purposes, which includes \$22.3 million in supplemental appropriations in fiscal year 2021. Through transfers and budget execution, TMD also received \$1,251.4 million in Other Funds in OOG Disaster, Deficiency, and Emergency Grants.
- At DPS, border security funding recommendations maintain support for the personnel at full deployment levels. Funding recommendations include \$1,194.6 million in General Revenue Funds for OLS and other agency border security efforts, an increase of \$226.9 million, or 23.4 percent. This base funding includes \$942.6 million appropriated to the agency in prior legislative sessions and provides for: salary and wages for 650 additional troopers, a 50-hour work week, human trafficking prevention, anti-gang activities, cameras, and equipment; \$75.5 million for salary adjustments; \$25.1 million reallocated to capital budget projects related to OLS; and \$151.4 million to biennialize OLS 52-week surge costs.

- Funding recommendations for the OOG border security activities total \$1,043.7 million for the 2024–25 biennium, which would provide support for OLS including transportation, border barriers, processing centers, and local border grants.
- Other agencies receiving significant border security appropriations in the 2024–25 biennium include recommendations of \$33.6 million to the Texas Parks and Wildlife Department, \$33.5 million to the Office of Court Administration, \$25.9 million to the Texas Department of Criminal Justice, and \$16.4 million to the Department of State Health Services.
- The Eighty-eighth Legislature, General Appropriations Bill, 2024–25 Biennium, Article IX, Section 7.10, Border Security, provides a complete list of border security agencies, appropriation amounts, and reporting requirements.

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

- Funding recommendations of \$1.8 billion in All Funds, including \$1.3 billion in General Revenue Funds and General Revenue–Dedicated Funds, provides for a 5.0 percent increase in state employee salaries, with a minimum of \$3,000 per year in fiscal year 2024 followed by a 5.0 percent increase with a minimum of \$3,000 per year in fiscal year 2025. The amounts include funding for salaries and benefits. Comparable increases also are provided to employees of the Texas Higher Education Coordinating Board, Texas A&M University services agencies, adult and juvenile probation employees, and certain Correctional Managed Health Care employees.
- Funding recommendations of \$1.6 billion in All Funds, including \$1.1 billion in General Revenue Funds and General Revenue–Dedicated Funds, provides for the state contribution to the Employees Retirement System of Texas (ERS) retirement program. This amount is an increase of \$227.1 million in All Funds, and an increase of \$213.0 million in General Revenue Funds and General Revenue–Dedicated Funds, for state employees' retirement benefits, due to assuming 0.77 percent annual payroll growth for fiscal years 2024 and 2025. Funding recommendations provide for a 9.5 percent state contribution rate for each fiscal year of the 2024–25 biennium. Funding recommendations also continue the additional retirement contribution from all general state agencies of 0.5 percent of the total base wages and salaries for each eligible employee for a total combined state contribution rate of 10.0 percent, the maximum pursuant to the Texas Constitution, Article XVI, Section 67(b)(3).
- Senate Bill 321, Eighty-seventh Legislature, Regular Session, 2021, requires the state to make legacy payments in the amount necessary to amortize ERS' unfunded actuarial liability no later than fiscal year 2054. The funding recommendations include \$1,020.0 million in All Funds, including \$916.0 million in General Revenue Funds and \$104.0 million in State Highway Fund 6, for the legacy payments.
- Funding recommendations of \$4.1 billion in All Funds, including \$2.9 billion in General Revenue Funds and General Revenue–Dedicated Funds, provides for the state contribution for group insurance benefits for general state employees, retirees, and their dependents. The funding recommendation is an increase of \$265.5 million in All Funds, including \$286.9 million in General Revenue Funds and General Revenue–Dedicated Funds, prompted by assumed active and retired member growth. Funding recommendations do not provide a per-member contribution rate increase and instead rely upon the agency spending down the contingency reserve fund, which has achieved historically high fund balances due to savings in health plan contracts.
- Funding recommendations of \$144.5 million in General Revenue Funds provides 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. The funding provides an increase of \$2.3 million in General Revenue Funds.
- Funding recommendations of \$2.2 billion in All Funds, including \$1.6 billion in General Revenue Funds and General Revenue–Dedicated Funds, provides for the state contribution for Social Security payroll taxes for employees of state agencies and institutions of higher education, which is an increase of \$237.3 million in All Funds, including \$226.2

million in General Revenue Funds and General Revenue–Dedicated Funds. The funding recommendation is sufficient to provide the 6.2 percent Social Security employer contribution and the 1.45 percent Medicare employer contribution. Funding recommendations assume 0.77 percent annual payroll growth for state agency employees and 3.2 percent annual payroll growth for higher education employees in fiscal years 2024 and 2025.

- Funding recommendations provide for 215,242.1 full-time-equivalent (FTE) positions for fiscal year 2024, and 215,178.6 positions for fiscal year 2025. The number of FTE positions for fiscal year 2025 is a decrease of 3,979.1 positions from fiscal year 2023 budgeted levels.

DEBT SERVICE

- Funding recommendations for the 2024–25 biennium fully fund debt service and total \$4.3 billion in All Funds. This recommended amount is an increase of \$21.6 million from the 2022–23 biennium. Funding recommendations provide for debt service for General Obligation and revenue debt issued, or expected to be issued, by the Texas Public Finance Authority, the Texas Facilities Commission, the Texas Water Development Board, the Texas Department of Transportation, and the Office of the Governor. Funding recommendations also provide for reimbursement of debt service payments for Capital Construction Assistance Projects issued by various institutions.

COVID-19 PANDEMIC-RELATED STIMULUS FUNDS

Following the emergence of a novel coronavirus known as SARS-CoV-2 (COVID-19), a federal public health emergency was declared January 31, 2020. As a result, the U.S. Congress passed six major spending bills from March 6, 2020, to March 11, 2021, which, excluding direct allocations to local entities and nonstate agencies, provided an estimated \$80.1 billion in financial support to help respond to and mitigate the financial impact of the COVID-19 pandemic.

The appropriated funds in these federal bills were intended to help adjust certain federally funded programs in their transition in client delivery and functionality during the pandemic. The performance periods of most federal pandemic-related awards will expire by September 1, 2023. **Figure 15** shows the status of each pandemic-related funding bill, including the estimated amounts awarded and the timeline for the expiration of funding awards. **Figure 16** shows the status of expenditures by state biennium from the total estimated amounts of federal dollars awarded to Texas for pandemic-related support.

FIGURE 15
FEDERAL COVID-19 PANDEMIC-RELATED FUNDING, AS OF AUGUST 31, 2022

FEDERAL LEGISLATION	DATE SIGNED	ESTIMATED AWARD (1)	PERFORMANCE PERIOD TIMELINE (2)
Coronavirus Preparedness and Response Supplemental Appropriations Act (CPRSAA)	March 6, 2020	\$71.8 million	Funds expired
Families First Coronavirus Response Act (FFCRA)	March 18, 2020	\$213.4 million	Funds expired
Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	March 27, 2020	\$25.9 billion	Awards expired September 30, 2022
Paycheck Protection Program and Health Care Enhancement Act (PPHCEA)	April 24, 2020	\$479.6 million	Funds expired
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)	December 27, 2020	\$13.5 billion	Awards expire September 30, 2023
American Rescue Plan Act (ARPA)	March 11, 2021	\$39.9 billion	Awards expire September 30, 2025
Total		\$80.1 billion	

NOTES:

(1) Estimated awards are as of August 31, 2022, and amounts represent only funds that flow through the state's treasury. Amounts are subject to change.

(2) Some awards in each act have longer performance periods than the general expiration dates provided in the legislation.

SOURCE: Legislative Budget Board.

FIGURE 16
ALL BIENNIAL AWARDS AND EXPENDITURES OF FEDERAL COVID-19 PANDEMIC-RELATED AWARDS

(IN BILLIONS)

STATE BIENNIUM	TOTAL ESTIMATED AWARDS	TOTAL ESTIMATED EXPENDITURES
2020–21	\$76.6	\$43.9
2022–23	\$3.4	\$27.1
2024–25	\$0.0	\$2.1
Total	\$80.1	\$73.1

SOURCE: Legislative Budget Board.

The Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium, Article IX, Section 13.01, authorizes the Legislature to appropriate funding received from the federal Coronavirus State Fiscal Recovery (CSFR) Fund, pursuant to the American Rescue Plan Act. Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, appropriated \$13.3 billion received through the CSFR (\$12.8 billion) and the Coronavirus Capital Projects Fund (\$500.5 million) and allocated the following amounts:

- \$7.2 billion for the state’s Unemployment Compensation Fund;
- \$2.0 billion for state and local hospital surge staffing;
- \$617.8 million for various construction projects;
- \$500.5 million for broadband infrastructure;
- \$475.0 million for critical and emergency staffing and support grants;
- \$379.5 million for funding shortfalls in accounts or funds for crime victim assistance, sexual assault, crime victim compensation, and court fees;
- \$359.7 million for public safety salaries;
- \$300.0 million for acquisition and construction of a state operations center;
- \$286.3 million for claims related to the COVID-19 pandemic from health plans administered by the Teacher Retirement System of Texas (TRS-ActiveCare and TRS-Care);
- \$200.0 million for cybersecurity projects;
- \$180.0 million for tourism, travel, and hospitality; and
- \$816.1 million for various other purposes.

REMAINING CORONAVIRUS RELIEF FUND BALANCE

Due to the following factors, Texas has a remaining balance of federal funding related to the COVID-19 pandemic of \$5.4 billion:

- In November 2021, the Texas Workforce Commission (TWC) provided a revised estimate of funds necessary to replenish the Unemployment Insurance Trust Fund. From the original appropriation of \$7.3 billion, TWC expended \$7.0 billion and returned \$266.2 million of CSFR funding to the state’s Coronavirus Relief Fund. Additionally, TWC returned \$758.7 million in CSFR funds after receiving an allocation of CARES Act funding on September 30, 2022.
- Two provisions of Senate Bill 8, enacted November 8, 2021, which would have funded certain university construction projects and maintenance projects at the Bob Bullock Texas State History Museum, were deemed not eligible uses, and the funding was returned. General Revenue Funds were made available to the awarded agencies for similar uses.

- The planned supplemental appropriations bill would make available \$200.0 million initially appropriated to the Department of Information Resources for cybersecurity projects.
- The Department of State Health Services reported December 19, 2022, that the agency would return \$800.0 million of its appropriated \$2.0 billion due to reimbursements for the same uses of funds through the Federal Emergency Management Agency Public Assistance grant.

CSFR funding must be obligated by the end of calendar year 2024 and expended by the end of calendar year 2026. Funds may be used to replace lost public sector revenue, respond to the public health and negative economic impacts caused by the pandemic, provide premium pay for essential workers, and build infrastructure for sewer, water, and broadband communications. Funds may not be used to pay debt service, replenish reserve funds, nor offset a negative tax reduction that resulted from a change of law, regulation, or administrative interpretation by the state. In addition to funds directly appropriated to the state, \$10.5 billion from the Coronavirus Local Fiscal Recovery Fund was awarded directly to all counties, major cities, and nonentitlement units.

SUPPLEMENTAL APPROPRIATIONS, 2022–23 BIENNIUM

In addition to appropriations made in the General Appropriations Bill for the 2024–25 biennium, it is the intent of the Legislature to provide funding in fiscal year 2023 in a supplemental appropriations bill, from All Funds, for additional purposes including the following:

- Health and Human Services Commission: \$2.3 billion for state hospital construction and additional inpatient capacity;
- Employees Retirement System of Texas (ERS): \$1.0 billion for a onetime legacy payment to ERS;
- Texas Education Agency: \$600.0 million to assist school districts in implementing school safety initiatives;
- Texas Facilities Commission: \$400.0 million to be deposited into General Revenue–Dedicated Account No. 5166, Deferred Maintenance, to address future maintenance of state buildings, and \$210.0 million for construction of a new records storage/archive facility for the Texas State Library and Archives Commission;
- Water Development Board: \$400.0 million for flood mitigation;
- Texas Historical Commission: \$300.0 million to be deposited in an endowment fund in the Safe Keeping Trust Fund for maintenance of historical sites contingent on enactment of legislation creating the fund, and \$217.1 million for various restoration, maintenance, and improvement projects;
- cross-article: \$273.6 million for vehicle replacement funding at state agencies;
- Fiscal Programs within the Comptroller of Public Accounts: \$243.8 million to fully fund all remaining Texas Guaranteed Tuition Plan obligations;
- State Preservation Board: \$200.0 million to be deposited in an endowment fund in the Safe Keeping Trust Fund for maintenance of state facilities contingent on enactment of legislation creating the fund;
- Parks and Wildlife Department: \$100.0 million to fund park acquisition;
- salary increase: \$148.9 million to fund three months in fiscal year 2023 of a 5.0 percent pay increase for classified state employees (or \$250 per month, if greater); and
- Texas Public Finance Authority: sufficient funding to meet the obligations issued by the Texas Natural Gas Securitization Finance Corporation pursuant to House Bill 1520, Eighty-seventh Legislature, Regular Session, 2021, or similar legislation passed by the Eighty-eighth Legislature, 2023.

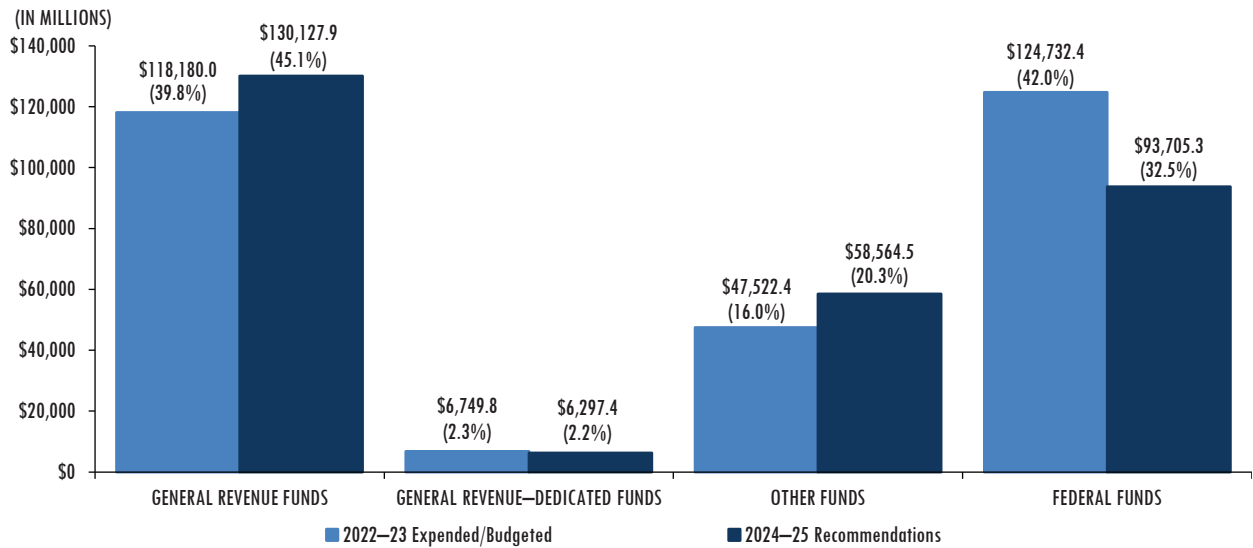
STRATEGIC FISCAL REVIEW

- Twelve state agencies are subject to Strategic Fiscal Review (SFR) in preparation for the Eighty-eighth Legislature, 2023. SFR provides an in-depth analysis of programs conducted by state agencies subject to review, which are noted as such in this summary. Senate Bill 68, Eighty-sixth Legislature, 2019, formalized the SFR process and applied it to the agencies currently subject to Sunset Advisory Commission review, with an exception for agencies that are not subject to the legislative appropriations process. Legislative Budget Board staff analysis resulting from SFR is available to the members of the Legislature to aid in their budget and policy deliberations.

BIENNIAL COMPARISON BY FUND SOURCE

Figure 17 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 2022–23 biennium refer to agency-estimated expenditures for fiscal year 2022 and agency-budgeted amounts for fiscal year 2023. Recommendations refer to biennial amounts contained in this summary’s version of the 2024–25 General Appropriations Bill. Percentage amounts represent the percentage of the entire biennial budget represented by that fund source.

FIGURE 17
BIENNIAL COMPARISON BY FUND SOURCE OF 2022–23 ESTIMATED/BUDGETED AND 2024–25 RECOMMENDED AMOUNTS



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

APPROPRIATED, ESTIMATED, AND BUDGETED FUNDS COMPARISON

Each biennium, circumstances result in variances to state agency expenditures (i.e., estimated and budgeted amounts) from the amounts appropriated by the Legislature. Typically, these changes result from shifts in population, client demands, or unforeseen events such as natural disasters, changes to federal formulas, grant requirements, or additional or reduced available revenue or balances supporting legislative appropriations. Often, these incremental changes to the current biennial budget are authorized by existing law, either through the Texas Constitution or the General Appropriations Act, and do not require legislative action. However, some expenditure changes require further action by the Legislature in the form of a supplemental appropriations bill.

Projected estimated and budgeted amounts for the 2022–23 biennium are estimated to increase by approximately \$32.4 billion in All Funds. This amount consists of a decrease of \$974.1 million in General Revenue Funds, and a net increase of \$33.4 billion in other funding sources (i.e., General Revenue–Dedicated Funds, Federal Funds, and Other Funds). The most significant non-General Revenue Funds increase occurs in Federal Funds (\$26.2 billion) and mainly consists of increases for the Health and Human Services Commission for Medicaid (\$12.5 billion), the Department of State Health Services for response to the COVID-19 pandemic (\$3.7 billion), and the Teacher Retirement System of Texas for onetime funding for pandemic relief to help maintain TRS-Care and ActiveCare premiums (\$0.7 billion). Other Funds increased by approximately \$6.7 billion. **Figure 18** shows the most significant assumed General Revenue Funds changes and the purpose for each.

FIGURE 18
RECONCILIATION OF THE 2022–23 APPROPRIATIONS TO 2022–23 ESTIMATED/BUDGETED AMOUNTS

(IN MILLIONS)	GENERAL REVENUE FUNDS
Appropriations as published in <i>Fiscal Size-Up, 2022–23 Biennium</i>	\$119,154.1
BUDGET ADJUSTMENTS	
General Government	
Employees Retirement System of Texas: supplemental appropriations for legacy payments and retiree death benefits	\$675.2
Trusted Programs within the Office of the Governor: transfers for border security (\$1,335.6 million) and bullet-resistant shields and training (\$53.0 million); unexpended balance authority from fiscal year 2021 (\$138.2 million); and lapses (decrease of \$30.0 million)	\$1,496.8
Office of the Attorney General: Unexpended balance authority for the Centralized Accounting and Payroll/Personnel System (CAPPS), Legal Case Legacy Modernization Project, and Child Support Information Technology System Modernization Project from fiscal year 2021; transfers, lapses, and adjustments for estimated expenditures	(\$62.5)
Texas Facilities Commission: unexpended balance authority from fiscal year 2021 for deferred maintenance and CAPPS	\$98.7
Health and Human Services	
Health and Human Services Commission (HHSC): projected difference in Medicaid client services from appropriated levels, including projected supplemental need, program-generated income, and other revenue and appropriations transferred to other programs and agencies	\$3,341.8
HHSC: projected difference in Children’s Health Insurance Program client services from appropriated levels, including program-generated income and other revenue and appropriations transferred to other programs and agencies	(\$286.1)
HHSC: increase due to supplemental funding for information technology, vehicles, facilities, and construction projects received in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, and carried forward to the 2022–23 biennium	\$166.9
HHSC: decrease in General Revenue Funds for disaster-related transfer to the Office of the Governor offset by an equal increase in Federal Funds for salaries and benefits related to the pandemic; and projected lapse in Temporary Assistance for Needy Families cash assistance from appropriated levels	(\$120.5)
Department of State Health Services: external transfers from Health and Human Services for system support costs and costs related to the COVID-19 pandemic	\$204.7

FIGURE 18 (CONTINUED)
RECONCILIATION OF THE 2022–23 APPROPRIATIONS TO 2022–23 ESTIMATED/BUDGETED AMOUNTS

(IN MILLIONS)

BUDGET ADJUSTMENTS	GENERAL REVENUE FUNDS
Department of Family and Protective Services (DFPS): a decrease in General Revenue Funds (\$158.3 million) and Federal Funds (\$34.6 million) for adjustments to client services programs for day care, adoption subsidy and permanency care assistance payments, relative caregiver payments, and foster care including General Revenue Funding from foster care used towards transfers in fiscal year 2022 (\$50.5 million)	(\$107.8)
DFPS: a decrease in General Revenue Funds and increase in Federal Funds of the same amount for salaries and benefits related to the pandemic	(\$105.6)
Public and Higher Education	
Texas Education Agency (TEA): estimated Foundation School Program appropriations funded with General Revenue Funds decreased by \$8,207.0 million through the operation of entitlement formulas, primarily attributable to greater-than-anticipated local property value growth and lower-than-anticipated enrollment growth. General Revenue Funds decreases are offset partially by a \$540.5 million increase in estimated appropriations from the Property Tax Relief Fund, a \$915.9 million increase in estimated appropriations from the Tax Reduction and Excellence in Education Fund, and a \$2,370.7 million increase in estimated recapture payments	(\$8,207.0)
TEA: unexpended balances of \$421.6 million from fiscal year 2021 and an increase of \$415.0 million for budget execution related to school safety	\$836.6
Various Institutions of Higher Education: capital construction assistance projects debt service for General Academic Institutions, Texas State Technical Colleges, Lone Star Colleges, and Health-related Institutions	\$325.0
Texas Division of Emergency Management: unexpended balance authority from fiscal year 2021	\$59.9
Public Safety and Criminal Justice	
Department of Public Safety: unexpended balance authority from fiscal year 2021 for vehicles, driver's license services, and border security, and method-of-finance adjustment with the Coronavirus Relief Fund	\$106.7
Texas Department of Criminal Justice (TDCJ): unexpended balance authority from fiscal year 2021 of education and recreation program receipts (\$47.4 million) and for vehicles, information technology, repairs, and maintenance (\$141.0 million)	\$188.4
TDCJ: a decrease in General Revenue Funds through salary adjustments with the Coronavirus Relief Fund	(\$287.8)
Natural Resources and Judiciary	
Texas Parks and Wildlife Department: an increase in estimated appropriations	\$89.4
State Contributions for Employee Benefits	
State contributions for employee retirement, health insurance, Social Security, and benefit replacement pay	(\$321.8)
Various Other Adjustments	
Other Adjustments	\$934.8
Subtotal, Adjustments	(\$974.1)
Total, Estimated/Budgeted Funds for the 2022–23 Biennium	\$118,180.0

NOTE: Totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

EXCEPTIONS TO THE 2024–25 BIENNIAL BASELINE FUNDING

In June 2022, the Office of the Governor and the Legislative Budget Board provided guidance to state agencies and institutions of higher education on preparing their Legislative Appropriations Requests. As a starting point for budget deliberations, an agency's baseline request for General Revenue Funds and General Revenue–Dedicated Funds could not exceed the sum of amounts estimated for fiscal year 2022 and budgeted for fiscal year 2023. Authorized exceptions to this restriction include amounts necessary to fund certain entitlement and other programs, debt service, and employee benefits. **Figure 19** shows the 2024–25 biennial recommended amounts for those program exceptions identified in the June correspondence and subsequent Legislative Appropriation Request instructions.

FIGURE 19
PROGRAMMATIC EXCEPTIONS TO THE 2024–25 BASELINE FUNDING
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS ONLY

(IN MILLIONS)	2022–23 ESTIMATED/ BUDGETED	2024–25 RECOMMENDED	BIENNIAL CHANGE	PERCENTAGE CHANGE
BUDGET ADJUSTMENTS				
Health and Human Services				
Medicaid	\$25,908.2	\$26,865.1	\$956.9	3.7%
Children's Health Insurance Program	\$197.0	\$512.5	\$315.6	160.2%
Foster Care	\$558.6	\$718.6	\$160.0	28.6%
Adoption Subsidies	\$224.3	\$244.7	\$20.5	9.1%
Permanency Care Assistance	\$41.8	\$51.8	\$10.0	23.9%
Public Education				
Foundation School Program	\$31,216.2	\$29,852.1	(\$1,364.1)	(4.4%)
Employer Contributions for State Pension Systems (Teacher Retirement System of Texas (TRS) – pension only)	\$5,023.7	\$5,776.7	\$753.0	15.0%
Employer Contributions for State Pension Systems (TRS – healthcare benefits only)	\$914.0	\$960.2	\$46.2	5.1%
Public Safety and Criminal Justice				
Public Safety Equipment and Operations, including Border Security	\$4,396.0	\$4,639.3	\$243.3	5.5%
State Employee Benefits				
Employer Contributions for State Pension Systems (2)	\$1,494.9	\$2,623.2	\$1,128.3	75.5%
Employer Contributions to Employee Health Insurance (3)	\$3,938.2	\$4,205.9	\$267.7	6.8%
Legacy Payments (4)	\$836.6	\$1,020.0	\$183.4	21.9%
Employer Contributions to Social Security	\$2,001.1	\$2,238.4	\$237.3	11.9%
Benefit Replacement Pay	\$8.7	\$5.6	(\$3.1)	(35.6%)
State Employee and Public Safety Death Benefits (5)	\$112.0	\$131.2	\$19.2	17.1%
Salary and Personnel Cost Method-of-Finance Adjustments				
Replacing Federal Funds used for Fiscal Year 2022 public health and public safety salaries and other personnel costs		\$1,351.9	\$1,351.9	

FIGURE 19 (CONTINUED)
PROGRAMMATIC EXCEPTIONS TO THE 2024–25 BASELINE FUNDING
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS ONLY

(IN MILLIONS)

BUDGET ADJUSTMENTS	2022–23 ESTIMATED/ BUDGETED	2024–25 RECOMMENDED	BIENNIAL CHANGE	PERCENTAGE CHANGE
Debt Service Payments				
General Obligation Bonds (Public Finance Authority)	\$612.8	\$681.3	\$68.5	11.2%
General Obligation Bonds (Water Development Board)	\$58.6	\$59.0	\$0.4	0.7%
Revenue Bonds (Public Finance Authority)	\$207.8	\$263.3	\$55.5	26.7%
Master Lease Purchase Plan (Public Finance Authority)	\$27.0	\$36.2	\$9.2	34.1%
Total, Programmatic Exceptions to Baseline Funding	\$77,777.6	\$82,237.2	\$4,459.6	5.7%

NOTES:

- (1) Amounts include only General Revenue Funds and General Revenue–Dedicated Funds amounts and exclude funds that are not subject to the baseline limitations. Totals may not sum due to rounding.
- (2) Employer Contributions to State Pension System totals include state contributions for Employees Retirement System retirement, Law Enforcement and Custodial Officer Supplemental retirement, and Judicial Retirement System plans I and II.
- (3) Employer Contributions to Employee Health Insurance totals include state contributions for local Community Supervision and Corrections Departments.
- (4) Legacy payments are added as they were included in the exceptions calculated in the General Revenue/General Revenue–Dedicated limit.
- (5) State Employee and Public Safety Death Benefits include public safety death benefits and retiree death benefits.

SOURCE: Legislative Budget Board.

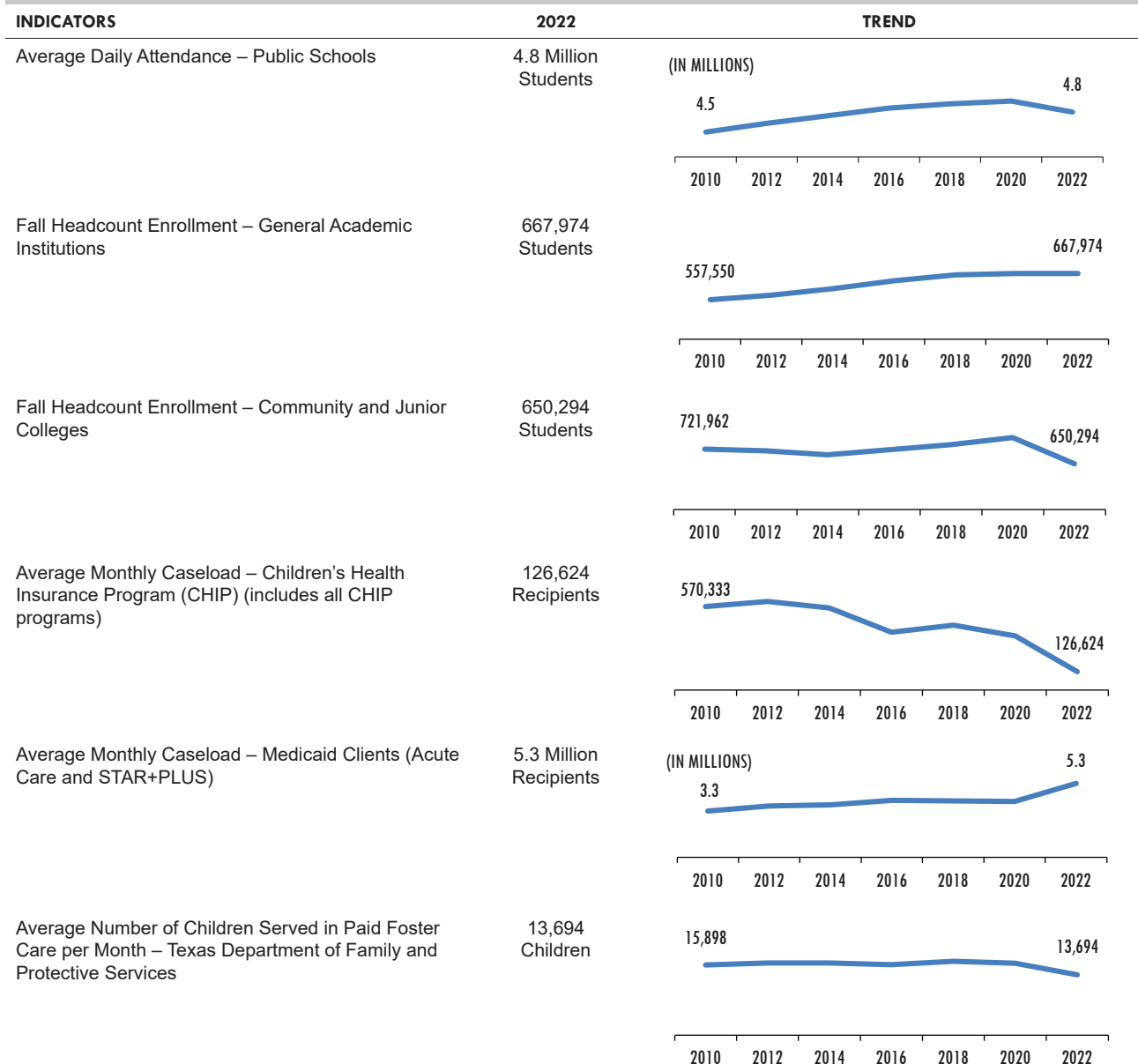
FACTORS AFFECTING THE STATE BUDGET

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, the Children’s Health Insurance Program (CHIP), children in foster care, public and higher education enrollment, adult and juvenile institutional and probation populations, and retirement system enrollment.

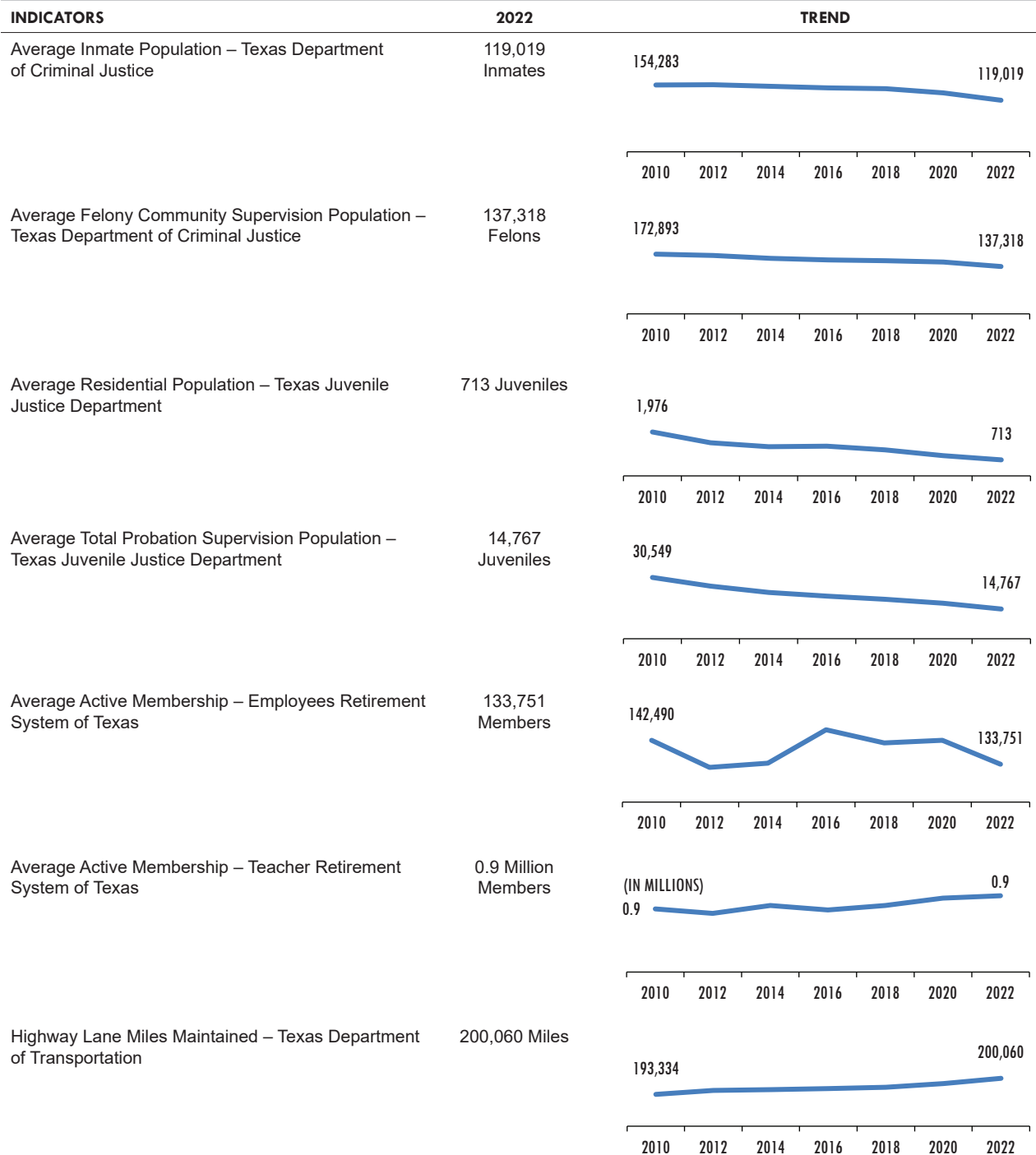
Population change is one element that helps explain the growth in the budget. Cost-related factors can have an equal or greater effect on growth. For example, medical inflation affects not only Medicaid and CHIP, but also inmate healthcare costs and state employee and teacher healthcare costs. Statutory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

Figure 20 shows the population-based indicators that affect a large portion of the state budget.

FIGURE 20
POPULATION-BASED INDICATORS
FISCAL YEARS 2010 TO 2022



**FIGURE 20 (CONTINUED)
POPULATION-BASED INDICATORS
FISCAL YEARS 2010 TO 2022**



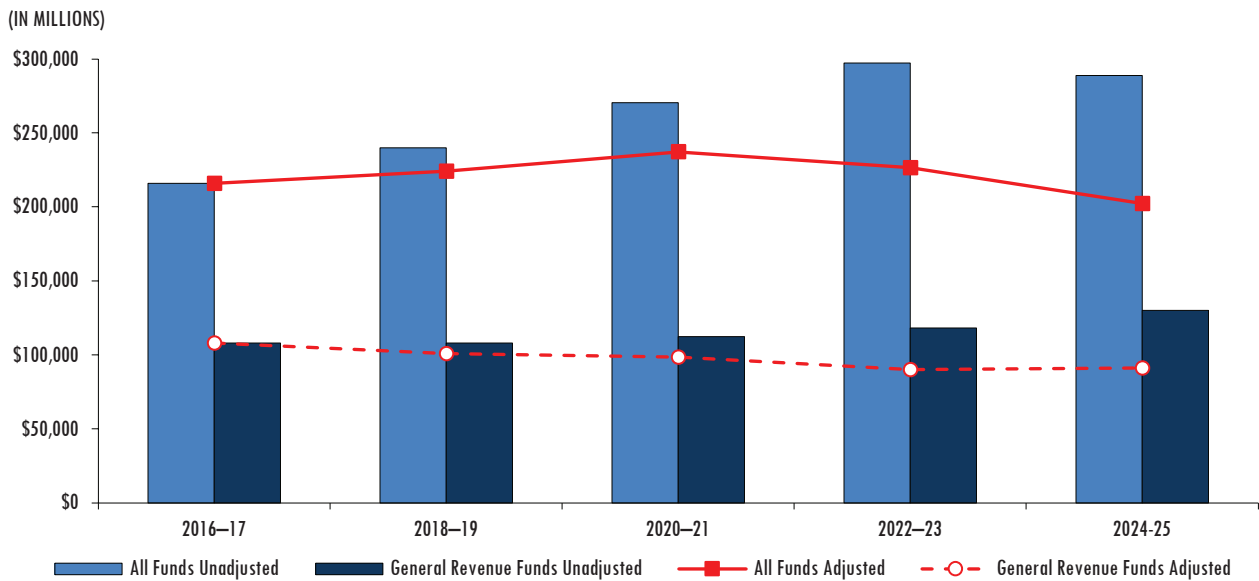
SOURCE: Legislative Budget Board.

TRENDS IN STATE GOVERNMENT EXPENDITURES

Figure 21 shows biennial All Funds and General Revenue Funds expenditures/appropriations since the 2016–17 biennium. Figure 21 also shows current and historical expenditure/appropriation totals adjusted into 2016–17 biennial dollars and population based on compounded population and inflation growth. All Funds expenditures increased by 33.7 percent from the 2016–17 to 2024–25 biennia but decreased 6.3 percent after adjusting for population and inflation. General Revenue Funds appropriations increased by 20.5 percent during the same period and decreased by 15.6 percent when adjusted.

FIGURE 21
TRENDS IN STATE GOVERNMENT EXPENDITURES, 2024–25 BIENNIAL RECOMMENDATIONS

FISCAL 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
2016–17	\$215,991.7	N/A	\$215,991.7	N/A	\$108,007.3	N/A	\$108,007.3	N/A
2018–19	\$239,797.5	11.0%	\$224,124.8	3.8%	\$107,986.3	(0.0%)	\$100,928.6	(6.6%)
2020–21	\$270,340.5	12.7%	\$237,224.4	5.8%	\$112,268.1	4.0%	\$98,515.5	(2.4%)
2022–23	\$297,184.7	9.9%	\$226,531.1	(4.5%)	\$118,180.0	5.3%	\$90,083.5	(8.6%)
2024–25	\$288,695.1	(2.9%)	\$202,316.2	(10.7%)	\$130,127.9	10.1%	\$91,193.0	1.2%



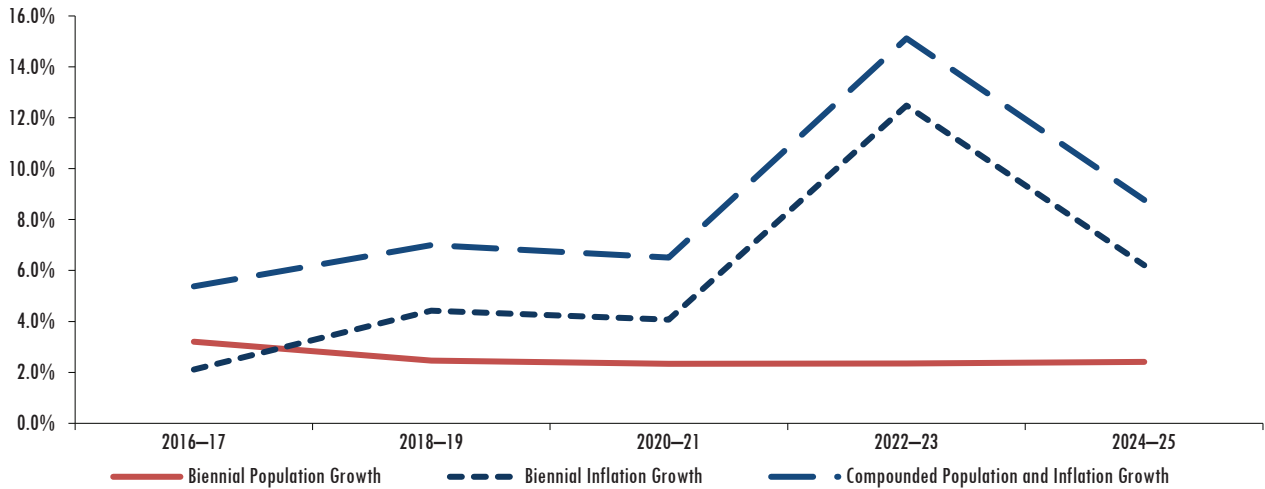
SOURCE: Legislative Budget Board.

Tools such as population and inflation compare budget growth; however, they do not tie directly to government budget drivers. For example, the Consumer Price Index (CPI) tracks the increased price of goods and services purchased by a typical family, such as groceries, clothing, housing, and private healthcare. Inflation of goods and services purchased by state government, such as education, public healthcare, and infrastructure, tend to grow faster than the price of goods and services purchased by consumers.

The compounded population and CPI growth shown in Figure 22 is based on data in the Comptroller of Public Accounts’ Fall 2022 State Economic Forecast as published in the 2023 Biennial Revenue Estimate and which included a biennial growth rate of 15.1 percent from the 2020–21 to 2022–23 biennia and 8.8 percent from the 2022–23 to 2024–25 biennia, for an average

of 11.95 percent. Population and inflation growth estimates averaged over the same two periods submitted to the Legislative Budget Board (LBB) in anticipation of the November 2022 LBB board meeting ranged from 11.93 percent to 12.33 percent.

FIGURE 22
BIENNIAL POPULATION AND INFLATION GROWTH FROM THE 2016–17 TO 2024–25 BIENNIA



SOURCE: Comptroller of Public Accounts.

The 2022–23 and 2024–25 biennial expenditure/recommendation totals shown in **Figure 21** include the net effect of the 2024–25 recommendations and 2022–23 base adjustments.

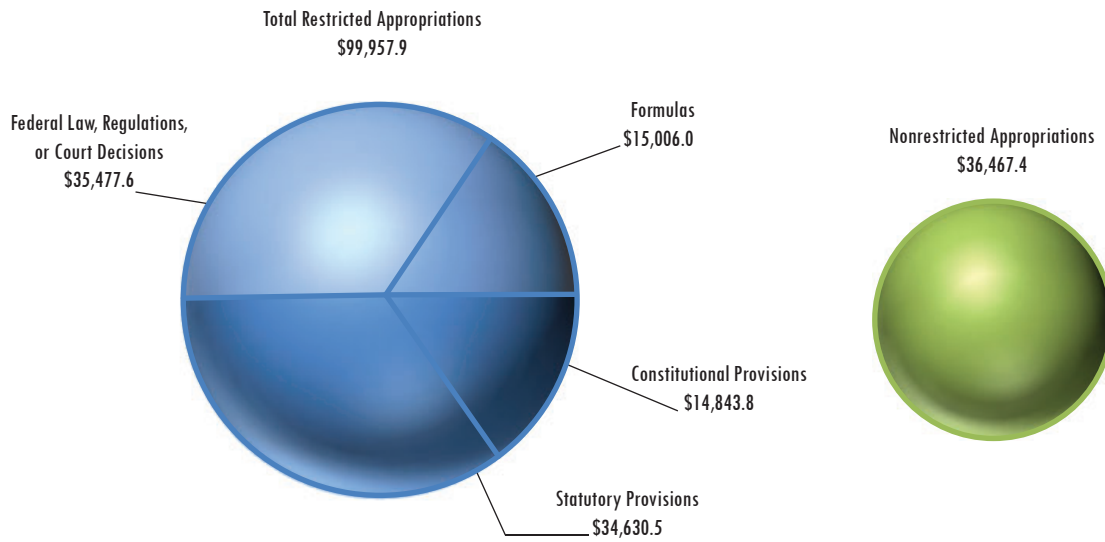
RESTRICTED APPROPRIATIONS

The 2024–25 biennial appropriations from General Revenue Funds and General Revenue–Dedicated Funds total \$136.4 billion of which \$100.0 billion is restricted by pre-existing constitutional provisions, statutory provisions, federal law, federal regulations, court decisions, and funding formulas. The Legislature maintains some discretion over a portion of the restricted budget, but in many cases it would need to revise statutes outside of the appropriations process to change the restrictions. **Figure 23** shows examples of the largest restrictions by category.

The remaining \$36.5 billion, 26.7 percent, is appropriated by the Legislature without restriction. This nonrestricted portion of the budget is larger than the 2022–23 biennial level of 20.4 percent.

FIGURE 23
RESTRICTED APPROPRIATIONS FROM GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS
2024–25 BIENNIUM

(IN MILLIONS) TOTAL=\$136,425.3



TOTAL RESTRICTED APPROPRIATIONS VERSUS TOTAL NONRESTRICTED APPROPRIATIONS, 2024–25 BIENNIUM

(IN MILLIONS)	2024–25 APPROPRIATIONS	PERCENTAGE OF TOTAL
Appropriations Restricted by Constitutional Provisions	\$14,843.8	10.9%
Foundation School Program (Available School Fund)	\$5,134.1	
Teacher Retirement System of Texas	\$5,776.7	
Public Education (Instructional Materials)	\$1,050.0	
Appropriations Restricted by Statutory Provisions	\$34,630.5	25.4%
Public Education (Foundation School Program)	\$24,718.0	
Teacher Retirement System of Texas, Health Insurance Programs for Public School Retiree Health Insurance	\$960.2	
Bond Debt Service	\$1,393.6	
Appropriations Restricted by Federal Law, Regulations, or Court Decisions	\$35,477.6	26.0%
Medicaid Programs	\$30,149.6	
Social Security Match	\$1,636.8	
Children’s Health Insurance Program	\$402.5	

FIGURE 23 (CONTINUED)
RESTRICTED APPROPRIATIONS FROM GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS
2024–25 BIENNIUM

TOTAL RESTRICTED APPROPRIATIONS VERSUS TOTAL NONRESTRICTED APPROPRIATIONS, 2024–25 BIENNIUM		
(IN MILLIONS)	2024–25 APPROPRIATIONS	PERCENTAGE OF TOTAL
Appropriations Restricted by Formulas	\$15,006.0	11.0%
Higher Education Formulas	\$10,639.6	
Group Health Insurance (General State Employees)	\$2,931.7	
Group Health Insurance (Higher Education Employees)	\$1,434.7	
Total Restricted Appropriations	\$99,957.9	73.3%
Nonrestricted Appropriations	\$36,467.4	26.7%
Texas Department of Criminal Justice	\$7,810.5	
Department of Public Safety	\$2,774.4	
Texas Higher Education Coordinating Board	\$2,115.9	
Texas Juvenile Justice Department	\$966.4	
Total, General Revenue Funds and General Revenue–Dedicated Funds Appropriations	\$136,425.3	100.0%

NOTES:

- (1) Appropriations shown are selected examples and are not intended to total to specific restricted appropriation.
(2) Totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

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 tax spending limit; the limit on welfare spending; and the limit on tax-supported debt. In addition, Texas has a statutory limit on the growth of consolidated General Revenue appropriations (CGR), commonly referred to as the CGR limit.

The pay-as-you-go, tax spending, and CGR limits all restrict appropriations, but in different ways. The pay-as-you-go limit prohibits the General Revenue Fund budget from exceeding available revenue. The tax spending limit prohibits appropriations funded with tax revenues that are not dedicated by the Texas Constitution from growing faster than the state's economy. The tax 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. The CGR limit prohibits General Revenue Funds and General Revenue–Dedicated Funds appropriations from growing faster than the compounded growth of Texas population and monetary inflation. Appropriations to pay for tax relief or costs associated with recovery from a disaster declared by the Governor are excluded from the CGR limit. Appropriations of the remaining \$5.4 billion Coronavirus State Fiscal Relief Fund balances are not subject to any of the three limits.

The 2024–25 biennial General Revenue Funds recommendations total \$130.1 billion. This amount is \$43.6 billion less than the pay-as-you-go limit, based on the 2023 Biennial Revenue Estimate (BRE) from the Comptroller of Public Accounts (CPA), as shown in **Figure 24**. General Revenue Funds are \$4.0 billion less than the General Revenue Funds capacity in accordance with the tax spending limit. The 2024–25 biennial Consolidated General Revenue Funds recommendations total \$136.4 billion. This amount is \$17.1 billion less than the CGR limit. This analysis includes anticipated supplemental appropriations in fiscal year 2023 for the Foundation School Program, Medicaid, and programs identified in Article IX, Section 17.17 of the General Appropriations bill. Any change to the fiscal year 2023 appropriations, beyond what is assumed in this analysis, will change the 2024–25 limits and spending authority subject to the limits. The tax spending limit is the controlling limit because General Revenue spending authority is lower than for the other two limits.

FIGURE 24
REMAINING GENERAL REVENUE FUNDS SPENDING AUTHORITY, 2024–25 BIENNIUM

(IN BILLIONS)	AMOUNT
Pay-as-you-go Limit	\$43.6
Tax Spending Limit	\$4.0
Consolidated General Revenue Limit	\$17.1

SOURCE: Comptroller of Public Accounts, Legislative Budget Board.

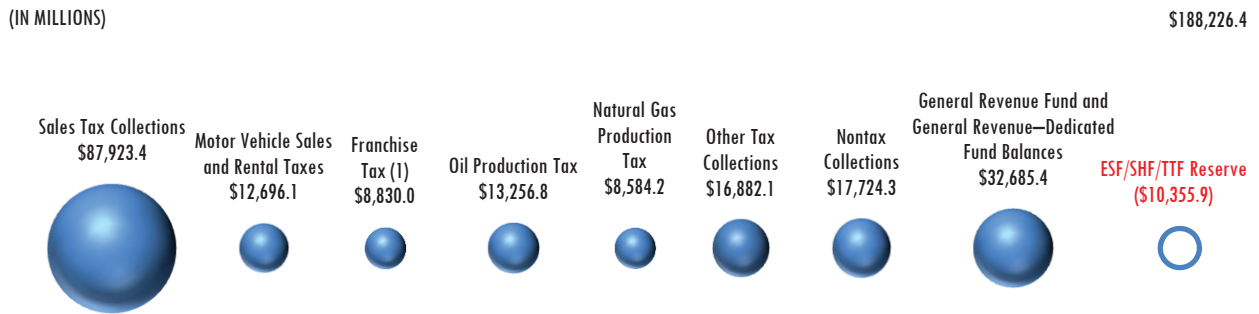
ARTICLE III, SECTION 49a, PAY-AS-YOU-GO LIMIT

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 \$188.2 billion in the BRE. This total includes estimated 2024–25 biennial General Revenue Funds revenue collections of \$165.9 billion, less the amount of \$10.4 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 \$32.7 billion, shown in **Figure 25**. Legislative actions increasing or decreasing revenue collections will change the total amount of revenue available.

By contrast, the amount of revenue available for the Eighty-seventh Legislature, Regular Session, 2021, in accordance with the pay-as-you-go limit identified in the 2021 BRE was \$112.5 billion.

FIGURE 25
COMPONENTS OF THE PAY-AS-YOU-GO LIMIT, 2024–25 BIENNIUM



NOTE: Figure shows General Revenue Funds portion.
SOURCE: Legislative Budget Board.

The \$188.2 billion in available revenue applies to 2024–25 biennial General Revenue Funds appropriations and to fiscal year 2023 supplemental General Revenue Funds appropriations. Consequently, any increase in supplemental General Revenue Funds appropriations for fiscal year 2023 will decrease General Revenue Funds spending capacity proportionately for the 2024–25 biennium; conversely a decrease in 2023 will increase 2024–25 General Revenue Funds spending capacity.

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 2024–25 biennial spending limit equals total 2022–23 biennial appropriations funded with tax revenues not dedicated by the constitution of \$103.9 billion, grown by the adopted growth rate of 12.33 percent. The 2024–25 biennial spending limit is estimated to be \$116.7 billion after adjusting for revenue estimates in the CPA’s 2023 Biennial Revenue Estimate and updating the 2022–23 biennial base to include estimated supplemental appropriations. The 2024–25 biennial appropriations subject to the spending limit total \$113.0 billion, \$3.7 billion less than the spending limit, as shown in **Figure 26**. The 2022–23 biennial appropriations subject to the spending limit, including supplemental appropriations assumed for this analysis, total \$103.9 billion, \$3.5 billion below the spending limit for that biennium, which would yield maximum additional 2022–23 General Revenue appropriations of \$3.8 billion. Any changes to supplemental appropriations beyond the assumptions in this analysis will change the estimate of the 2024–25 biennial spending limit and available spending capacity.

FIGURE 26
SPENDING LIMIT COMPARED TO THE RECOMMENDED GENERAL APPROPRIATIONS BILL
2024–25 BIENNIUM

(IN BILLIONS)	AMOUNT
Spending Limit	\$116.7
Appropriations Subject to the Spending Limit	(\$113.0)
Total Less Than the Spending Limit	\$3.7

SOURCE: Legislative Budget Board.

Because revenue deposits to the General Revenue Fund also include revenue not subject to the spending limit, the maximum 2024–25 biennial General Revenue Funds appropriations associated with the \$116.7 billion limit is \$134.1 billion, leaving \$4.0 billion in remaining General Revenue Funds spending capacity less than the spending limit, as shown in **Figure 27**.

FIGURE 27
GENERAL REVENUE FUNDS PURSUANT TO THE SPENDING LIMIT COMPARED TO THE RECOMMENDED GENERAL APPROPRIATIONS BILL, 2024–25 BIENNIUM

(IN BILLIONS)	AMOUNT
Maximum General Revenue Funds Appropriations Pursuant to the Spending Limit	\$134.1
Recommended General Revenue Funds Appropriations	(\$130.1)
Total Less Than the Maximum General Revenue Fund Appropriations	\$4.0

SOURCE: Legislative Budget Board.

THE TEXAS GOVERNMENT CODE, SECTION 316.001, CONSOLIDATED GENERAL REVENUE LIMIT

The Texas Government Code, Chapter 316, Subchapter A, restricts the rate of growth of consolidated General Revenue appropriations (CGR) and is referred to as the CGR limit. CGR appropriations are defined as the sum of General Revenue Funds and General Revenue–Dedicated Funds appropriations. In each biennium, the growth of CGR appropriations is limited to no more than the compounded rate of Texas population growth and monetary inflation growth, averaged over the current and upcoming biennium. However, the statute excludes from the computation of this limitation appropriations for a purpose that provides tax relief or appropriations to pay costs associated with recovery from a disaster declared by the Governor.

The 2024–25 biennial CGR limit is estimated to total \$143.6 billion. Consolidated General Revenue Fund recommendations total \$136.4 billion, of which \$9.9 billion are excluded from the limitation, as discussed above. After combining these amounts, \$17.1 billion of CGR spending capacity remains below the 2024–25 CGR limit.

ARTICLE III, SECTION 49-j, DEBT LIMIT

The Texas Constitution, Article III, Section 49-j, provides that the Legislature may not authorize additional state debt if in any fiscal year the resulting maximum annual debt service payable from the General Revenue Fund, excluding revenues constitutionally dedicated for purposes other than payment of state debt, exceeds 5.0 percent of the average annual unrestricted General Revenue 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 2022, the BRB reported that the issued debt ratio is 1.11 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 2.25 percent of unrestricted General Revenue Funds at the end of fiscal year 2022. The latter calculation represents a 12.8 percent decrease from the 2.58 percent calculated for outstanding and authorized but unissued debt for fiscal year 2021. 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.

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 not exceed 1.0 percent of the state budget in any biennium.

The 2024–25 biennial budget defined in the Texas Human Resources Code, Section 31.053, is \$288.7 billion. Therefore, the welfare spending limit is \$2.9 billion. The biennial amount appropriated in the Legislative Budget Board recommendations for the 2024–25 biennium that is subject to the limit on state dollars paid out in Temporary Assistance for Needy Families (cash assistance) grants is \$33.0 million, which is \$2.9 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 biennia. All economic forecasts are provided by the Comptroller of Public Accounts (CPA).

INDUSTRIAL OUTLOOK

Texas Real Gross State Product (GSP) decreased during the first half of the previous biennium largely due to the COVID-19 pandemic, decreasing by 0.5 percent in fiscal year 2020, before rebounding by 2.4 percent in fiscal year 2021. GSP growth is forecast to increase by 3.2 percent for fiscal year 2022 and slow to 1.4 percent for fiscal year 2023. The Texas economy is expected to continue to grow in the upcoming biennium, with projected GSP increases of 1.2 percent for fiscal year 2024 and 2.6 percent for fiscal year 2025.

EMPLOYMENT

The Texas unemployment rate is forecast to increase during fiscal years 2023 and 2024, reaching 6.5 percent in fiscal year 2024 before falling to 5.8 percent by fiscal year 2025. Similarly, nonfarm payroll jobs in Texas are expected to decrease by 0.5 percent for fiscal year 2024, before returning to growth of 0.6 percent for fiscal year 2025.

PERSONAL INCOME

Although the Texas economy contracted in fiscal year 2020, personal income in the state increased by 5.3 percent to reach \$1.6 trillion, largely due to several federal stimulus bills. Personal income is expected to increase by 4.8 percent for fiscal year 2024 and by 5.8 percent for fiscal year 2025.

Figure 28 shows key economic indicators from fiscal years 2016 to 2025. All forecasted data for fiscal years 2022 to 2025 is from the CPA’s 2023 Biennial Revenue Estimate.

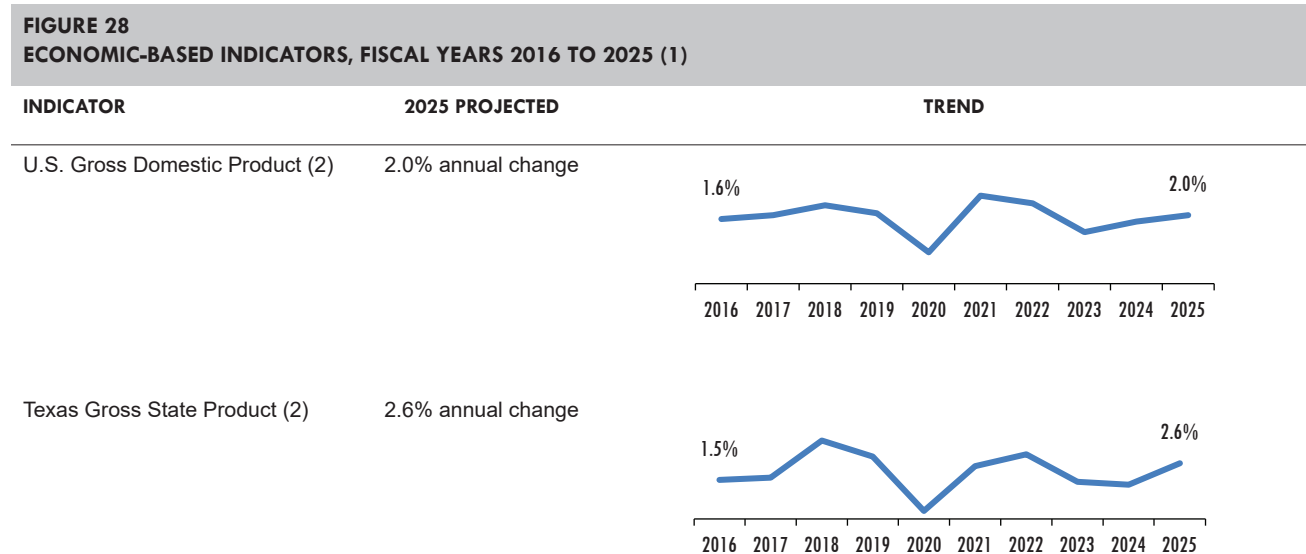


FIGURE 28 (CONTINUED)
ECONOMIC-BASED INDICATORS, FISCAL YEARS 2016 TO 2025 (1)



NOTES:

- (1) Trends for fiscal years 2022 to 2025 are based on projections from the Comptroller of Public Accounts' 2023 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.

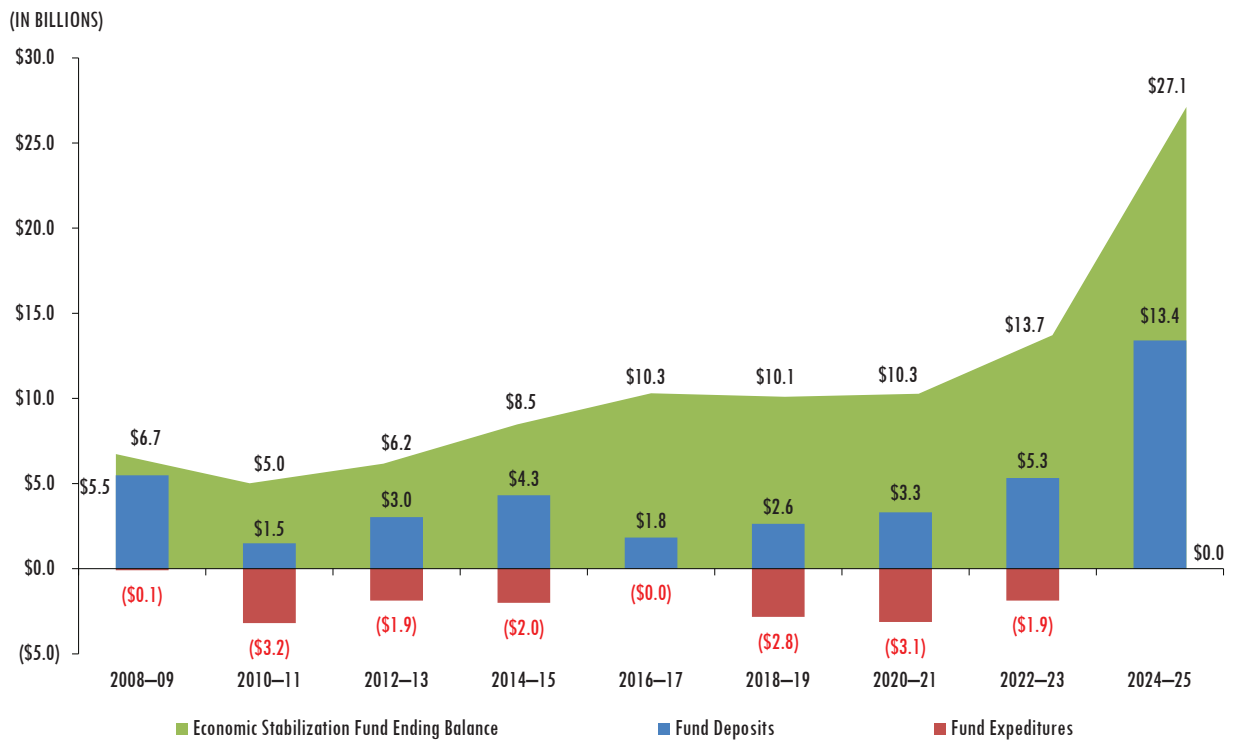
ECONOMIC STABILIZATION FUND

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 2024–25 biennial ending cash balance of the ESF plus the total asset value of the TESTIF to be \$27.1 billion, reaching its constitutional maximum balance during fiscal year 2025. The 2024–25 biennial recommendations contain no appropriations from the fund.

Figure 29 shows the history of ESF deposits, expenditures, and balances from the 2008–09 to 2024–25 biennia.

FIGURE 29
ECONOMIC STABILIZATION FUND BIENNIAL DEPOSITS, EXPENDITURES, INVESTMENTS AND FUND BALANCE
2008–09 TO 2024–25 BIENNIA

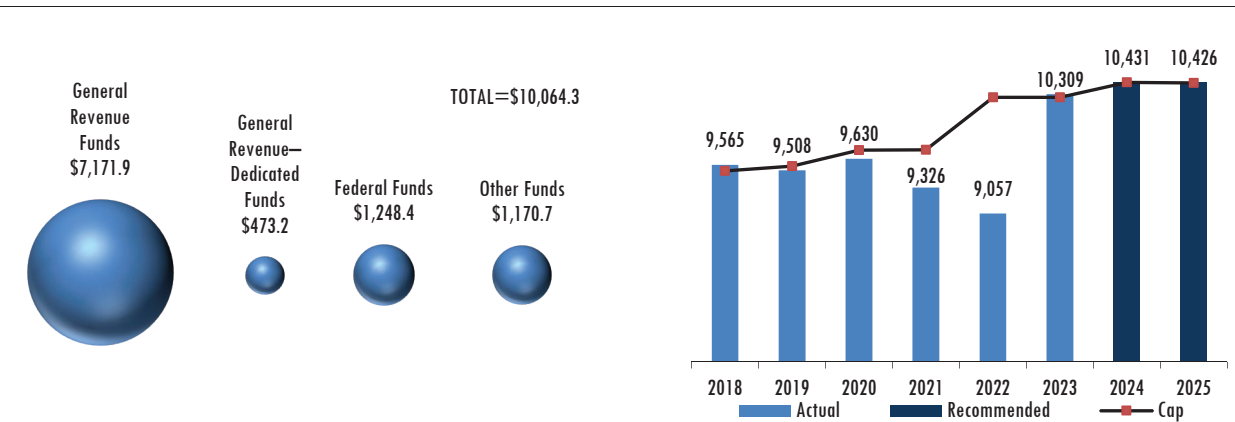


NOTE: Fiscal years 2023 to 2025 are projections based on the Comptroller of Public Accounts' 2023 Biennial Revenue Estimate.
 SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

ARTICLE I – GENERAL GOVERNMENT

FIGURE 30
ARTICLE I – GENERAL GOVERNMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$7,877.6	\$7,171.9	(\$705.7)	(9.0%)
General Revenue–Dedicated Funds	\$866.1	\$473.2	(\$392.8)	(45.4%)
Federal Funds	\$2,727.0	\$1,248.4	(\$1,478.5)	(54.2%)
Other Funds	\$2,085.6	\$1,170.7	(\$914.9)	(43.9%)
Total, All Methods of Finance	\$13,556.2	\$10,064.3	(\$3,491.9)	(25.8%)



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, 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 recommendations for the General Government agencies total \$10.1 billion for the 2024–25 biennium, a decrease of \$3.5 billion, or 25.8 percent, from the 2022–23 biennium. General Revenue Funds total \$7.2 billion, a decrease of \$0.7 billion, or 9.0 percent.

HIGHLIGHTS

- Funding recommendations for the Office of the Attorney General total \$1.3 billion in All Funds for the 2024–25 biennium, a decrease of \$7.8 million in All Funds, primarily due to a decrease of onetime capital funding for information technology.
- Funding recommendations for the Comptroller of Public Accounts total \$694.5 million in All Funds for the 2024–25 biennium. This amount represents an increase of \$29.6 million due primarily to the statewide salary adjustments.
- Funding recommendations for Fiscal Programs within the Comptroller of Public Accounts total \$1,772.8 million in All Funds for the 2024–25 biennium, a decrease of \$34.3 million. The decrease is related primarily to expenditure of onetime federal funding related to the COVID-19 pandemic for broadband expansion during the 2022–23 biennium offset by the addition of a new grant program for rural county law enforcement and agency estimates for certain statutorily required disbursements.

- Funding recommendations for the Employees Retirement System of Texas, across all articles, include the addition of \$900.3 million in All Funds to address unfunded liabilities and cover the normal costs of the Law Enforcement and Custodial Officer Supplemental Retirement Plan and the Judicial Retirement System Plan II.
- Funding recommendations for the Texas Facilities Commission total \$609.0 million in All Funds, a decrease of \$617.5 million related primarily to a reduction of onetime capital funding for facility construction.
- Funding recommendations for the Trusteed Programs within the Office of the Governor total \$2.1 billion, a decrease of \$3.0 billion in All Funds from the previous biennium. Decreases in All Funds are associated primarily with the expenditure during the 2022–23 biennium of unexpended balances carried forward from the 2020–21 biennium, and decreases due to reallocation of border security funds to other state agencies directly involved in border security activities.
- Funding recommendations for the Texas Historical Commission total \$74.9 million, a decrease of \$59.5 million in All Funds primarily related to various onetime funding projects, including renovation and construction projects at historic sites, the Star of the Republic Museum, and for Courthouse Preservation Grants.
- Funding recommendations for the Department of Information Resources total \$1,283.3 million in All Funds for the 2024–25 biennium, which represents a decrease of \$115.2 million from the 2022–23 biennium. The decrease is due primarily to a decrease of onetime federal funding appropriated for the 2022–23 biennium to the Technology Improvement and Modernization Fund offset by an increase of \$43.5 million for Data Center Services and \$38.4 million for operating and cybersecurity expenses.
- Funding recommendations for the Secretary of State total \$76.6 million in All Funds for the 2024–25 biennium, a decrease of \$73.6 million from the 2022–23 biennium. This decrease is due primarily to removal of onetime funding provided to counties through the agency for the replacement of voting technology and for funding provided for replacement of the Business Entity Secured Transaction system.
- Funding recommendations for the Texas Veterans Commission total \$125.8 million and include \$1.1 million in General Revenue Funds for improvements to the Hazlewood Act Database for Veterans and Students.

Figure 31 shows the All Funds appropriation for each agency in Article I, and **Figure 32** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more details about funding levels for some of the agencies in Article I.

FIGURE 31
ARTICLE I – GENERAL GOVERNMENT, ALL FUNDS

(IN MILLIONS) FUNCTION	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Commission on the Arts	\$25.7	\$23.4	(\$2.2)	(8.7%)
Office of the Attorney General	\$1,349.2	\$1,341.4	(\$7.8)	(0.6%)
Bond Review Board	\$1.8	\$2.0	\$0.2	10.0%
Cancer Prevention and Research Institute of Texas	\$594.4	\$600.1	\$5.7	1.0%
Comptroller of Public Accounts	\$664.9	\$694.5	\$29.6	4.5%
Fiscal Programs within the Comptroller of Public Accounts	\$1,807.1	\$1,772.8	(\$34.3)	(1.9%)
Commission on State Emergency Communications	\$290.6	\$128.7	(\$161.9)	(55.7%)
Texas Emergency Services Retirement System	\$3.9	\$4.1	\$0.2	4.6%
Employees Retirement System	\$861.1	\$1,047.5	\$186.4	21.6%
Texas Ethics Commission	\$6.6	\$6.8	\$0.3	3.9%
Facilities Commission	\$1,226.5	\$609.0	(\$617.5)	(50.3%)
Public Finance Authority	\$3.6	\$3.8	\$0.2	4.7%
Office of the Governor	\$27.6	\$29.6	\$2.0	7.2%
Trusted Programs within the Office of the Governor	\$5,085.5	\$2,099.9	(\$2,985.6)	(58.7%)
Historical Commission	\$134.4	\$74.9	(\$59.5)	(44.3%)
Department of Information Resources	\$1,398.5	\$1,283.3	(\$115.2)	(8.2%)
Library and Archives Commission	\$81.2	\$70.0	(\$11.3)	(13.9%)
Pension Review Board	\$2.9	\$2.4	(\$0.4)	(15.3%)
Preservation Board	\$88.9	\$121.5	\$32.6	36.7%
State Office of Risk Management	\$101.3	\$102.5	\$1.1	1.1%
Secretary of State	\$150.2	\$76.6	(\$73.6)	(49.0%)
Veterans Commission	\$134.3	\$125.8	(\$8.6)	(6.4%)
Subtotal, General Government	\$14,040.0	\$10,220.3	(\$3,819.7)	(27.2%)
Employee Benefits and Debt Service	\$994.9	\$1,095.7	\$100.8	10.1%
Less Interagency Contracts	\$1,478.7	\$1,251.7	(\$227.0)	(15.3%)
Total, All Functions	\$13,556.2	\$10,064.3	(\$3,491.9)	(25.8%)

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

FIGURE 32
ARTICLE I – GENERAL GOVERNMENT, GENERAL REVENUE FUNDS

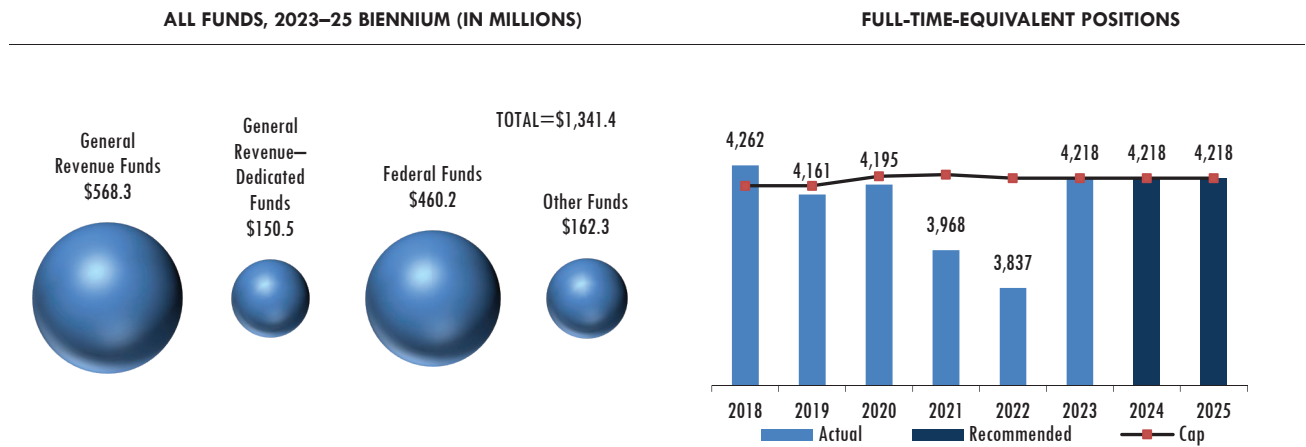
(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Commission on the Arts	\$22.5	\$20.5	(\$2.0)	(9.0%)
Office of the Attorney General	\$540.6	\$568.3	\$27.7	5.1%
Bond Review Board	\$1.8	\$2.0	\$0.2	10.0%
Cancer Prevention and Research Institute of Texas	\$0.0	\$0.0	\$0.0	N/A
Comptroller of Public Accounts	\$660.2	\$690.7	\$30.5	4.6%
Fiscal Programs within the Comptroller of Public Accounts	\$1,186.1	\$1,686.7	\$500.6	42.2%
Commission on State Emergency Communications	\$0.0	\$21.3	\$21.3	N/A
Texas Emergency Services Retirement System	\$1.4	\$1.5	\$0.1	8.6%
Employees Retirement System	\$702.7	\$943.5	\$240.7	34.3%
Texas Ethics Commission	\$6.6	\$6.8	\$0.3	3.9%
Facilities Commission	\$207.6	\$548.4	\$340.8	164.2%
Public Finance Authority	\$1.9	\$2.0	\$0.1	3.7%
Office of the Governor	\$27.6	\$29.6	\$2.0	7.2%
Trusted Programs within the Office of the Governor	\$3,335.7	\$1,294.0	(\$2,041.7)	(61.2%)
Historical Commission	\$75.1	\$67.9	(\$7.2)	(9.6%)
Department of Information Resources	\$33.2	\$61.6	\$28.5	85.8%
Library and Archives Commission	\$33.9	\$34.8	\$1.0	2.9%
Pension Review Board	\$2.9	\$2.4	(\$0.4)	(15.3%)
Preservation Board	\$27.7	\$121.5	\$93.8	338.5%
State Office of Risk Management	\$0.0	\$0.0	\$0.0	N/A
Secretary of State	\$117.2	\$63.7	(\$53.5)	(45.7%)
Veterans Commission	\$31.7	\$38.5	\$6.8	21.4%
Subtotal, General Government	\$7,016.2	\$6,205.6	(\$810.6)	(11.6%)
Subtotal, Employee Benefits and Debt Service	\$861.4	\$966.3	\$104.9	12.2%
Total, All Functions	\$7,877.6	\$7,171.9	(\$705.7)	(9.0%)

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

OFFICE OF THE ATTORNEY GENERAL

**FIGURE 33
OFFICE OF THE ATTORNEY GENERAL, BY METHOD OF FINANCE**

(IN MILLIONS) METHOD OF FINANCE	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$540.6	\$568.3	\$27.7	5.1%
General Revenue–Dedicated Funds	\$192.0	\$150.5	(\$41.5)	(21.6%)
Federal Funds	\$440.7	\$460.2	\$19.6	4.4%
Other Funds	\$175.9	\$162.3	(\$13.6)	(7.7%)
Total, All Methods of Finance	\$1,349.2	\$1,341.4	(\$7.8)	(0.6%)



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCES: Legislative Budget Board; State Auditor’s Office.

Recommended funding for the Office of the Attorney General for the 2024–25 biennium totals \$1.3 billion in All Funds, which is a decrease of \$7.8 million in All Funds from the 2022–23 biennium. This decrease is attributed primarily to the decrease of onetime capital funding for information technology (IT) projects.

HIGHLIGHTS

- Funding recommendations include \$95.3 million in All Funds for Victims Assistance Grants, representing an increase of \$14.7 million from 2022–23 biennial levels. This amount includes an increase of \$14.0 million in General Revenue Funds for rape crisis centers. Additionally, recommendations include a method-of-finance adjustment increasing General Revenue Funds recommendations by \$28.4 million and decreasing General Revenue–Dedicated Funds from Account No. 469, Compensation to Victims of Crime.
- Funding recommendations include \$700.5 million in All Funds for Child Support Enforcement. This amount includes an increase of \$28.2 million in All Funds, the majority of which is due to an increase in matching Federal Funds related to the reallocation of General Revenue Funds from Crime Victims Compensation.
- Funding recommendations include \$34.0 million in All Funds for ongoing costs associated with Phases I and II of the Child Support IT Modernization Project. However, funding is not included for further development in Phase III of the project.
- Funding recommendations include \$246.1 million in All Funds for Legal Services. This amount includes a decrease of \$34.2 million in All Funds from the 2022–23 biennium, primarily due to the removal of onetime funding for outside legal counsel for litigation against Google, LLC.

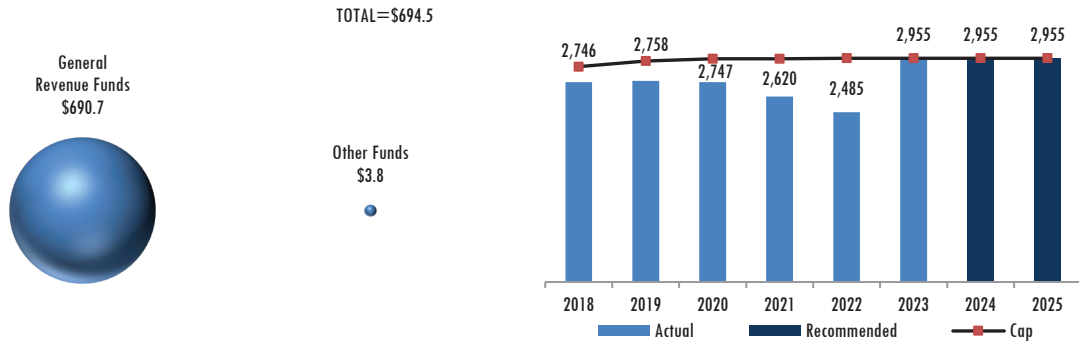
- Funding recommendations include \$182.8 million in All Funds for Crime Victims Compensation, which provides victims of violent crime with financial assistance for certain expenses. This amount represents an increase of \$7.8 million in All Funds from the 2022–23 biennium, primarily due to an increase in available Federal Funds for financing crime victims compensation claim payments.

COMPTROLLER OF PUBLIC ACCOUNTS

**FIGURE 34
COMPTROLLER OF PUBLIC ACCOUNTS, BY METHOD OF FINANCE**

(IN MILLIONS) METHOD OF FINANCE	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$660.2	\$690.7	\$30.5	4.6%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$4.7	\$3.8	(\$0.9)	(18.2%)
Total, All Methods of Finance	\$664.9	\$694.5	\$29.6	4.5%

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)	FULL-TIME-EQUIVALENT POSITIONS
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NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCES: Legislative Budget Board; State Auditor’s Office.

Recommended funding for the Comptroller of Public Accounts for the 2024–25 biennium totals \$694.5 million in All Funds, which is an increase of \$29.6 million in All Funds from the 2022–23 biennium. This increase is attributed primarily to the statewide salary adjustments.

HIGHLIGHTS

- Funding changes include a reallocation of \$5.6 million in General Revenue Funds across various programs from other operating expenses to budget for full staffing.
- Funding represents a decrease of \$0.9 million in Other Funds primarily from state seizure funds received from tax enforcement activities from fiscal year 2021 being carried forward to and expended during fiscal year 2022.
- Funding represents an increase of \$30.5 million in General Revenue Funds for the statewide salary adjustments.

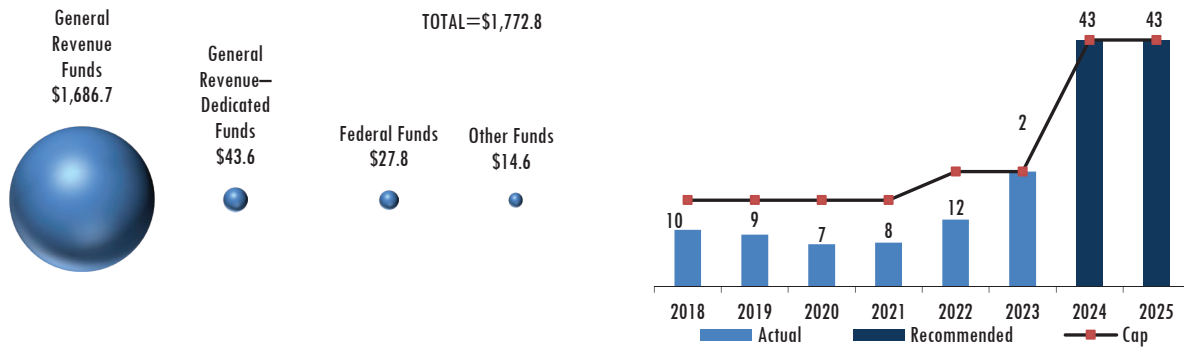
FISCAL PROGRAMS WITHIN THE COMPTROLLER OF PUBLIC ACCOUNTS

FIGURE 35
FISCAL PROGRAMS WITHIN THE COMPTROLLER OF PUBLIC ACCOUNTS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$1,186.1	\$1,686.7	\$500.6	42.2%
General Revenue–Dedicated Funds	\$42.6	\$43.6	\$1.1	2.5%
Federal Funds	\$528.2	\$27.8	(\$500.3)	(94.7%)
Other Funds	\$50.3	\$14.6	(\$35.7)	(71.0%)
Total, All Methods of Finance	\$1,807.1	\$1,772.8	(\$34.3)	(1.9%)

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for Fiscal Programs within the Comptroller of Public Accounts total \$1,772.8 million in All Funds for the 2024–25 biennium, a decrease of \$34.3 million. The decrease is related primarily to onetime federal funding related to broadband expansion budgeted for the 2022–23 biennium, offset by the addition of a new grant program for rural county law enforcement, and agency estimates for certain statutorily required disbursements.

HIGHLIGHTS

- Funding recommendations include \$635.1 million in General Revenue Funds, an increase of \$151.8 million from the 2022–23 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 recommendations provide \$576.0 million in General Revenue Funds to pay legitimate claims for unclaimed property held by the state. Funding remains level with appropriations from the 2022-23 biennium.
- Funding recommendations provide \$350.0 million in General Revenue Funds for grants to rural counties for additional law enforcement resources. This appropriation is contingent on the passage of legislation by the Eighty-eighth Legislature, 2023, to authorize the new program.
- Funding recommendations provide \$26.0 million in General Revenue Funds for payments for miscellaneous and wrongful imprisonment claims, based on historical expenditures. This amount represents decreases of \$36.6 million in All Funds.

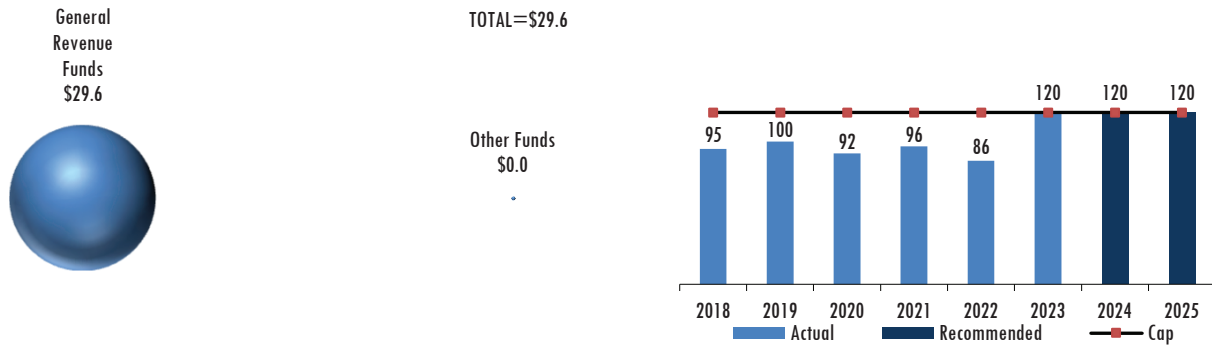
- Funding recommendations provide \$34.0 million in General Revenue Funds for distribution to counties for road and bridge construction and maintenance, replacing funding from the State Highway Fund for this purpose.
- Funding also includes \$5.0 million in General Revenue Funds for the administration of the Broadband Development Office. This amount is an All Funds decrease of \$500.5 million due to expenditure of onetime federal Coronavirus State Fiscal Recovery funds appropriated for broadband expansion.
- Recommendations also include an additional 23.0 full-time-equivalent (FTE) positions to manage the newly available federal funding for broadband expansion and energy conservation. This addition represents a 115.0 percent increase from the 2022–23 biennium. The increase provides 18.0 FTE positions for the Broadband Development Office, and 5.0 positions for the State Energy Conservation Office.

OFFICE OF THE GOVERNOR

FIGURE 36
OFFICE OF THE GOVERNOR, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$27.6	\$29.6	\$2.0	7.2%
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)	(20.0%)
Total, All Methods of Finance	\$27.6	\$29.6	\$2.0	7.2%

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)	FULL-TIME-EQUIVALENT POSITIONS
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NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the Office of the Governor include \$29.6 million in All Funds, which is an increase of \$2.0 million from the 2022–23 biennium. This increase is attributed primarily to the statewide salary adjustments.

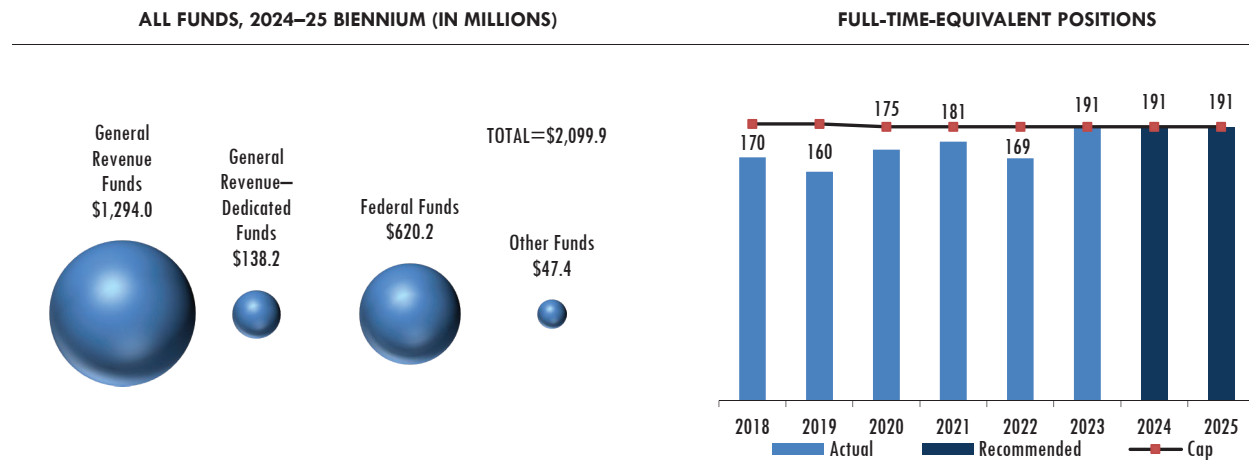
HIGHLIGHTS

- Budget and Policy Division recommendations include \$0.2 million related to the Texas Workforce Commission Investment Council, which is funded via Interagency Contract.
- Recommended funding for the Office of the First Lady is \$0.6 million, or 10.0 percent of the communications program area.

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR

FIGURE 37
TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$3,335.7	\$1,294.0	(\$2,041.7)	(61.2%)
General Revenue–Dedicated Funds	\$405.2	\$138.2	(\$267.0)	(65.9%)
Federal Funds	\$1,126.7	\$620.2	(\$506.4)	(45.0%)
Other Funds	\$217.9	\$47.4	(\$170.5)	(78.2%)
Total, All Methods of Finance	\$5,085.5	\$2,099.9	(\$2,985.6)	(58.7%)



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCES: Legislative Budget Board; State Auditor's Office.

Funding recommendations for the Trusteeds Programs within the Office of the Governor total \$2.1 billion in All Funds for the 2024–25 biennium, a decrease of \$3.0 billion from the 2022–23 biennium. This decrease is due primarily to the expenditure during the 2022–23 biennium of unexpended balances carried forward from the 2020–21 biennium, and to the reallocation of border security funding to be appropriated directly to other state agencies that are involved in border security activities. Within the Trusteeds Programs, the Office of State–Federal Relations and the Texas Economic Development and Tourism Office are subject to Strategic Fiscal Review.

HIGHLIGHTS

- Significant funding decreases are related to the removal of onetime funding items from the 2022–23 biennium, including the following amounts:
 - a recommended decrease of \$242.4 million in General Revenue Funds and General Revenue–Dedicated Funds related to unexpended balances carried forward from fiscal year 2021 into the 2022–23 biennium and reduced agency funding requests for multiple programs;
 - a recommended decrease of \$225.3 million in General Revenue Funds related to border security activities. This funding was provided through supplemental funding appropriated as part of House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, and House Bills 5 and 9, Eighty-seventh Legislature, Second Called Session, 2021;
 - a recommended decrease of \$1.6 billion in General Revenue Funds related to appropriations received pursuant to the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium, Article IX, Section 14.04, Disaster

Related Transfer Authority, for transfer to the Texas Military Department for border surge operations. These funds have been reallocated as direct appropriations to the Texas Military Department for border security activities in the 2024–25 biennium;

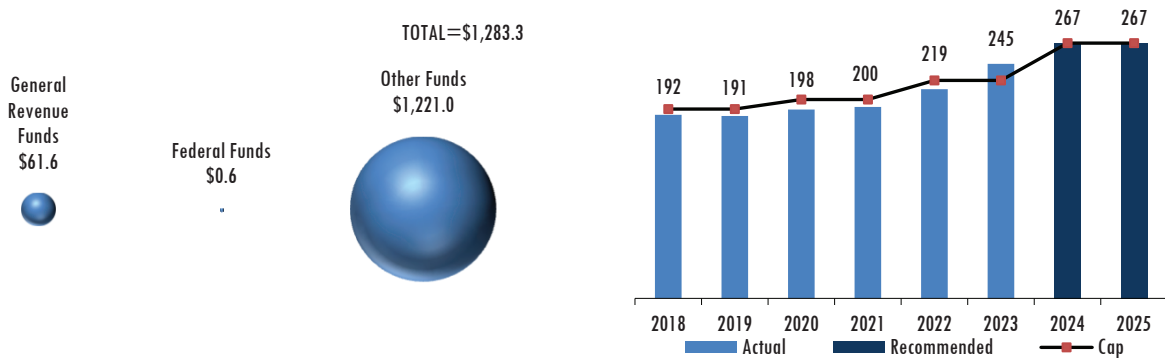
- a recommended decrease of \$488.8 million in Federal Funds from the Coronavirus State and Local Fiscal Recovery Funds pursuant to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, for crime victims assistance, tourism grants, and an updated information technology case-management system, and funding for the State Small Business Credit Initiative;
 - a recommended decrease of \$53.0 million in General Revenue Funds related to a budget execution order dated June 28, 2022, pursuant to the Texas Government Code, Section 317.005(b), which transferred funding from the Texas Education Agency to the Trusteed Programs to provide bullet-resistant shields and travel grants; and
 - a recommended decrease of \$23.2 million in Other Funds from the Economic Stabilization Fund expended for disaster grants and criminal justice programs.
- Funding recommendations include a net decrease of \$17.6 million in Federal Funds related to a \$11.5 million increase in anticipated Homeland Security grants, offset by a \$37.0 million decrease in the federal allocation of Crime Victims Assistance grants.
 - Funding recommendations include \$40.0 million in estimated unexpended balances remaining at the end of fiscal year 2023 in the General Revenue–Dedicated Account No. 5161, Governor’s University Research Initiative, for recruitment grants.
 - Funding recommendations include \$69.7 million in Hotel Occupancy Tax Deposits for tourism programs for the 2024–25 biennium, which is a \$77.4 million decrease from the 2022–23 biennium.
 - Funding recommendations for border security activities include \$1,043.7 million in General Revenue Funds for Border Security for the 2024–25 biennium. This amount includes funding for border prosecution grants, border wall construction, anti-gang programs, and border processing centers.

DEPARTMENT OF INFORMATION RESOURCES

FIGURE 38
DEPARTMENT OF INFORMATION RESOURCES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$33.2	\$61.6	\$28.5	85.8%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$201.1	\$0.6	(\$200.4)	(99.7%)
Other Funds	\$1,164.2	\$1,221.0	\$56.8	4.9%
Total, All Methods of Finance	\$1,398.5	\$1,283.3	(\$115.2)	(8.2%)

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)	FULL-TIME-EQUIVALENT POSITIONS
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NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCES: Legislative Budget Board; State Auditor's Office.

Funding recommendations for the Department of Information Resources totals \$1,283.3 million in All Funds for the 2024–25 biennium, primarily in Other Funds from Interagency Contracts and Appropriated Receipts. This amount represents a decrease of \$115.2 million, primarily due to a decrease in Federal Funds appropriated to the Technology Improvement and Modernization Fund offset by increased consumption of Data Center/Shared Technology Services and increased General Revenue Funds provided for cybersecurity.

HIGHLIGHTS

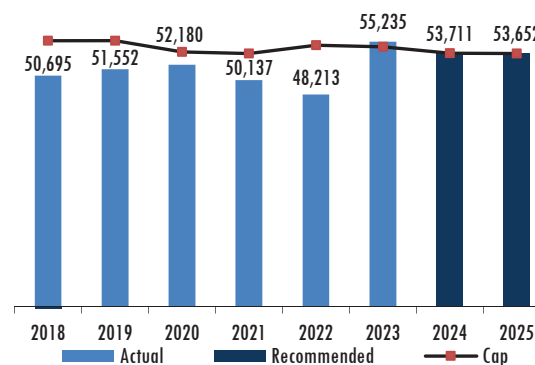
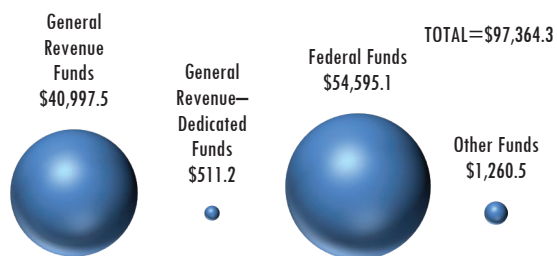
- Funding recommendations include \$1,125.5 million in Other Funds for payments to service providers of telecommunications and data center services for cost of services for which the agency directly bills customers and for payments to service providers for operation of the Texas.gov website. This amount is an increase of \$46.4 million from 2022–23 biennial funding levels for the following services:
 - Telecommunications, including Capitol Complex Telephone System and Texas Agency Network – recommended funding provides \$216.2 million in Other Funds, representing a decrease of \$1.7 million due to projected decrease in consumption of telecommunications services;
 - Data Center Services (DCS) – recommendations provide \$822.1 million in Other Funds, including an increase of \$43.5 million based on anticipated increased usage of DCS by customer agencies. Costs represent amounts to maintain current service levels and projects initiated during the 2022–23 biennium, including fully supported cloud services, upgrading data systems, website upgrades, data management, and data governance; and

- Texas.gov – recommended funding provides \$87.2 million in Other Funds in estimated payments to service providers for payment processing, application development, and customer services through the Texas.gov portal. Amounts include an increase of \$4.7 million from the 2022–23 biennium due to application maintenance and development and procurement activities.
- Funding provides \$101.7 million in All Funds for cybersecurity services and related policy development. Funding changes include a decrease of \$200.0 million in onetime federal funding appropriated to the Technology Improvement and Modernization Fund for the 2022–23 biennium, and an increase of \$11.0 million for the expansion of the Regional Security Operations Center program.

ARTICLE II – HEALTH AND HUMAN SERVICES

FIGURE 39
ARTICLE II – HEALTH AND HUMAN SERVICES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$37,511.9	\$40,997.5	\$3,485.6	9.3%
General Revenue–Dedicated Funds	\$501.3	\$511.2	\$10.0	2.0%
Federal Funds	\$69,491.4	\$54,595.1	(\$14,896.3)	(21.4%)
Other Funds	\$1,436.7	\$1,260.5	(\$176.2)	(12.3%)
Total, All Methods of Finance	\$108,941.2	\$97,364.3	(\$11,576.9)	(10.6%)



NOTES:

- (1) May include anticipated supplemental spending adjustments.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated from actual amounts before rounding. Therefore, 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 recommendations for the Health and Human Services agencies total \$97.4 billion, a decrease of \$11.6 billion from the 2022–23 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$41.5 billion, an increase of \$3.5 billion from the 2022–23 biennium.

Appropriations for Health and Human Services encompass many different programs, but the biennial All Funds decrease primarily results from the following areas:

- a decrease of \$8.2 billion in All Funds associated with Medicaid, which is partially offset by a \$1.0 billion increase for Children’s Health Insurance Program (CHIP) client services, primarily due to shifts in caseloads associated with the assumed end of continued eligibility, which was required for states to receive the 6.2 percentage-point increase in the federal medical assistance percentage (FMAP) and related matches pursuant to the federal Families First Coronavirus Response Act (FFCRA); and
- a decrease of \$5.5 billion in Federal Funds at the Department of State Health Services provided for response to the COVID-19 pandemic.

HIGHLIGHTS

- Funding of \$76.9 billion in All Funds, including \$30.0 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 constitutes a decrease of \$7.9 billion in All Funds and an increase of \$1.5 billion in General Revenue Funds, including the following:

- \$71.7 billion in All Funds for Medicaid client services, \$1.8 billion in All Funds for programs supported by Medicaid funding, and \$3.4 billion in All Funds for administration of the Medicaid program and other programs supported by Medicaid funding. The net decrease in Medicaid funding is due to a \$8.2 billion decrease in All Funds in Medicaid client services offset by a \$0.1 billion increase in All Funds in administrative funding and a \$0.1 billion increase in All Funds in other programs supported by Medicaid funding;
 - a smaller proportion of the program is funded with Federal Funds due to less favorable FMAPs combined with the assumed loss of the 6.2 percentage-point increase in FMAP pursuant to the federal FFCRA. Full funding for anticipated increases in cost due to medical inflation, higher utilization, or increased acuity is not included; and
 - the 2022–23 biennial amounts for Medicaid assume supplemental funding to complete fiscal year 2023 expenditures.
- Funding recommendations for non-Medicaid/CHIP behavioral health services at the three health and human services agencies total \$4.3 billion in All Funds, including \$3.3 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 \$17.2 million in All Funds, primarily due to an increase of \$0.8 billion in General Revenue Funds for outpatient and inpatient mental health services at the Health and Human Services Commission, partially offset by a decrease in Federal Funds and Other Funds associated with funding from the American Rescue Plan Act, Economic Stabilization Fund, and bonds appropriated for onetime construction projects and certain capital repair and renovation projects at state mental health hospitals and other state-funded inpatient mental health facilities.
 - Funding recommendations for the Department of Family and Protective Services includes \$100.0 million in General Revenue Funds for foster care rate increases and \$97.1 million in All Funds, including \$91.1 million in General Revenue Funds, to expand Community-based Care in existing and new regions.
 - Funding recommendations for salary adjustments in Article II include an increase of \$0.5 billion in All Funds, including \$0.3 billion in General Revenue Funds and General Revenue–Dedicated Funds.

Figure 40 shows the All Funds recommendation for each agency in Article II, and **Figure 41** shows the General Revenue Funds recommendation for each agency. Subsequent pages in this chapter provide more details about funding levels for the agencies in Article II.

FIGURE 40
ARTICLE II – HEALTH AND HUMAN SERVICES, ALL FUNDS

(IN MILLIONS) FUNCTION	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Family and Protective Services	\$4,579.2	\$4,894.1	\$314.9	6.9%
Department of State Health Services	\$7,715.8	\$2,130.5	(\$5,585.2)	(72.4%)
Health and Human Services Commission	\$95,105.3	\$88,597.3	(\$6,507.9)	(6.8%)
Subtotal, Health and Human Services	\$107,400.2	\$95,621.9	(\$11,778.3)	(11.0%)
Employee Benefits and Debt Service	\$2,178.2	\$2,383.7	\$205.5	9.4%
Less Interagency Contracts	\$637.2	\$641.3	\$4.1	0.6%
Total, All Functions	\$108,941.2	\$97,364.3	(\$11,576.9)	(10.6%)

NOTES:

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

SOURCE: Legislative Budget Board.

FIGURE 41
ARTICLE II – HEALTH AND HUMAN SERVICES, GENERAL REVENUE FUNDS

(IN MILLIONS) FUNCTION	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Family and Protective Services	\$2,609.1	\$3,062.0	\$452.9	17.4%
Department of State Health Services	\$733.6	\$601.8	(\$131.8)	(18.0%)
Health and Human Services Commission	\$32,755.1	\$35,765.2	\$3,010.1	9.2%
Subtotal, Health and Human Services	\$36,097.8	\$39,429.0	\$3,331.2	9.2%
Employee Benefits and Debt Service	\$1,414.0	\$1,568.5	\$154.5	10.9%
Total, All Functions	\$37,511.9	\$40,997.5	\$3,485.6	9.3%

NOTES:

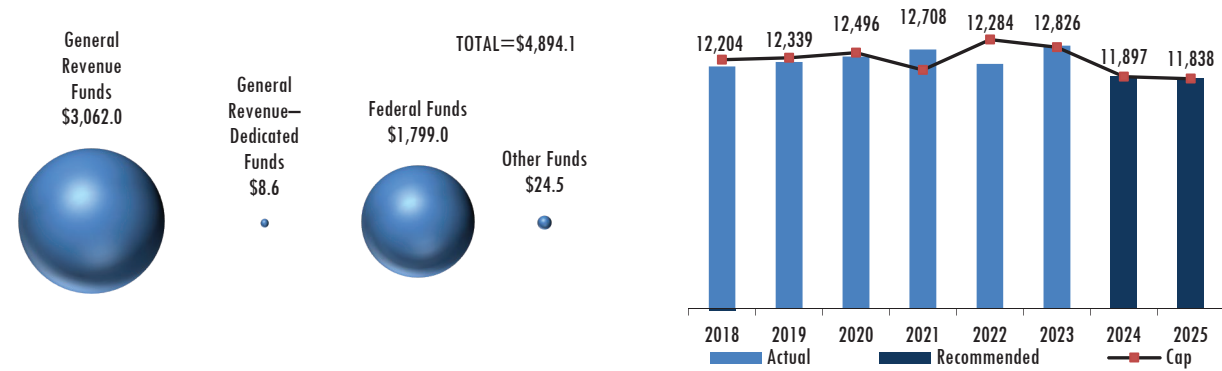
- (1) May include anticipated supplemental spending adjustments.
(2) Biennial change and percentage change are calculated from actual amounts before rounding. Therefore, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

FIGURE 42
DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$2,609.1	\$3,062.0	\$452.9	17.4%
General Revenue–Dedicated Funds	\$8.6	\$8.6	\$0.0	0.0%
Federal Funds	\$1,940.4	\$1,799.0	(\$141.5)	(7.3%)
Other Funds	\$21.1	\$24.5	\$3.5	16.4%
Total, All Methods of Finance	\$4,579.2	\$4,894.1	\$314.9	6.9%



NOTES:
 (1) May include anticipated supplemental spending adjustments.
 (2) Biennial change and percentage change are calculated from actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the Department of Family and Protective Services for the 2024–25 biennium total \$4.9 billion in All Funds, including \$3.1 billion in General Revenue Funds and \$8.6 million in General Revenue–Dedicated Funds. These amounts represent an increase from the 2022–23 biennium of \$452.9 million, or 17.4 percent, in General Revenue Funds and \$314.9 million, or 6.9 percent, in All Funds.

HIGHLIGHTS

- Funding recommendations include a total of \$2.0 billion in All Funds and \$1.1 billion in General Revenue Funds, an increase of \$193.1 million in All Funds and \$198.5 million in General Revenue Funds from 2022–23 biennial spending levels, for the following client services programs:
 - Funding recommendations include \$1.2 billion in All Funds, including \$0.7 billion in General Revenue Funds, for Foster Care Payments, including those for Community-based Care (CBC). Funding recommendations include increases of \$157.0 million in All Funds and \$160.0 million in General Revenue Funds from the 2022–23 biennium. These increases are due primarily to the following factors: an increase of \$62.0 million in All Funds (\$35.7 million in General Revenue Funds) related to increases in care days driven by assumed growth in the number of children in paid care; and an additional \$100.0 million in General Revenue Funds that provides for foster care rate increases, offset by a decrease in the average daily rate. Additionally, funding includes an increase of \$1.8 million in General Revenue Funds for network support payments for CBC in new Stage I Regions 8A, 6A, 6B, and 10. Funding also includes a decrease of \$5.5 million in Federal Funds due to the end of a onetime Family First Transition Act grant; a

decrease of \$1.2 million in General Revenue Funds for decreased Stage I network support payments; and a decrease of \$23.7 million in Federal Funds offset by an increase of the same amount in General Revenue Funds for continued changes in federal medical assistance percentages (FMAP), Temporary Assistance for Needy Families (TANF), and Title IV-E eligibility, as well the loss of the 6.2 percentage-point increase in FMAP due to the assumed end of the Public Health Emergency (PHE).

- Funding recommendations include \$638.1 million in All Funds, including \$296.6 million in General Revenue Funds, for Adoption Subsidies and Permanency Care Assistance (PCA) Payments. Funding recommendations include a \$15.8 million increase in All Funds (\$30.5 million in General Revenue Funds) from the 2022–23 biennium due primarily to an assumed growth in the number of adoption subsidy and PCA payments. The increase also includes \$14.2 million in All Funds (\$12.4 million in General Revenue Funds) for projected caseload growth in both adoption subsidies and PCA, as well as \$1.6 million in All Funds (\$0.7 million in General Revenue Funds) due to adoption subsidy cost growth. Additionally, changes in the regular FMAP, and the loss of the 6.2 percentage-point in FMAP due to the assumed end of the PHE, resulted in a decrease of \$21.3 million in Federal Funds offset by an increase of the same amount in General Revenue Funds.
- Funding recommendations include \$108.6 million in All Funds, including \$18.9 million in General Revenue Funds, for Texas Workforce Commission contracted day care services. Funding recommendations include a \$14.3 million increase in All Funds (a \$3.1 million decrease in General Revenue Funds) from the 2022–23 biennium due to projected growth in caseload and average daily cost, which resulted in an increase of \$14.3 million in All Funds (\$2.5 million in General Revenue Funds). Additionally, changes in FMAP and Title IV-E eligibility resulted in a decrease of \$0.6 million in Federal Funds offset by an increase of the same amount in General Revenue Funds.
- Funding recommendations include \$52.5 million in All Funds, including \$37.8 million in General Revenue Funds, for Relative Caregiver Payments. Funding includes a \$6.0 million decrease in All Funds (\$4.9 million in General Revenue Funds) from the 2022–23 biennium, primarily due to assumed growth in unverified kinship placements and care days, as well as to maintain rate increases that occurred in fiscal year 2022, which results in an increase of \$6.0 million in All Funds (\$4.2 million in General Revenue Funds). Additionally, decreases in TANF eligibility resulted in a decrease of \$0.7 million in Federal Funds offset by an increase of the same amount in General Revenue Funds.
- Funding recommendations include \$1.8 billion in All Funds, including \$1.3 billion in General Revenue Funds, for Child Protective Services direct delivery staff, including services provided through CBC. This amount includes increased funding to biennialize CBC expansion that occurred during fiscal year 2022 for Stage II in Regions 1 and 8B and for Stage I in Regions 3E, 9, 4, and 5. Funding also includes \$97.1 million in All Funds (\$91.1 million in General Revenue Funds) to expand CBC into Stage II in Regions 3E, 9, 4, and 5 and Stage I in Regions 8A, 6A, 6B, and 10. Funding recommendations biennialize caseworkers to maintain fiscal year 2023 appropriated caseworkers into the 2024–25 biennium to comply with court mandated caseload per worker guidelines.
- Funding recommendations include \$36.6 million in All Funds and \$31.1 million in General Revenue Funds, an increase of \$17.8 million and \$18.0 million, respectively, for Data Center Services (DCS). Funding recommendations include the consolidation of the DCS capital budget project for the implementation of House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, and for the expansion of services.
- Funding recommendations include \$125.7 million in All Funds and \$74.7 million in General Revenue Funds to provide salary increases for staff in the 2024–25 biennium.

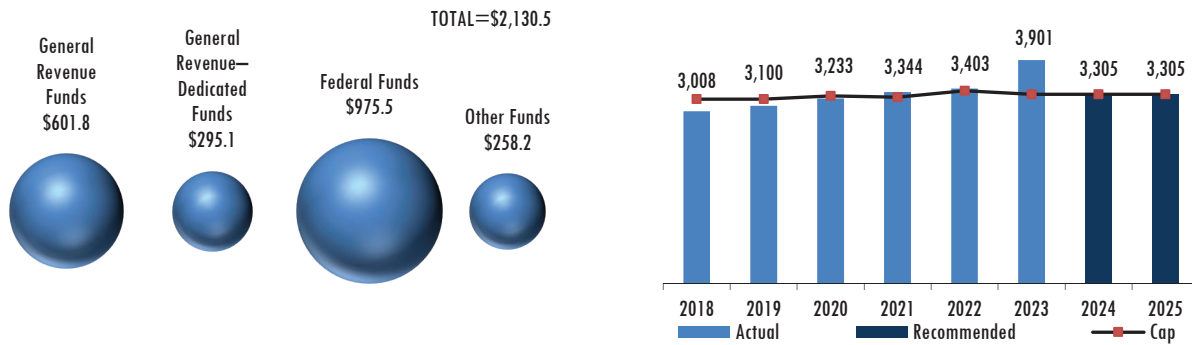
DEPARTMENT OF STATE HEALTH SERVICES

FIGURE 43
DEPARTMENT OF STATE HEALTH SERVICES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$733.6	\$601.8	(\$131.8)	(18.0%)
General Revenue–Dedicated Funds	\$277.4	\$295.1	\$17.7	6.4%
Federal Funds	\$6,454.0	\$975.5	(\$5,478.6)	(84.9%)
Other Funds	\$250.8	\$258.2	\$7.4	2.9%
Total, All Methods of Finance	\$7,715.8	\$2,130.5	(\$5,585.2)	(72.4%)

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Biennial change and percentage change are calculated from actual amounts before rounding. Therefore, totals may not sum due to rounding.
- (2) The full-time-equivalent (FTE) actual positions for fiscal year 2018 include 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 recommendations for the Department of State Health Services (DSHS) for the 2024–25 biennium total \$2.1 billion in All Funds, including \$0.6 billion in General Revenue Funds and \$0.3 billion in General Revenue–Dedicated Funds. These amounts represent an All Funds decrease of \$5.6 billion, or 72.4 percent, and a decrease in General Revenue Funds of \$131.8 million, or 18.0 percent.

HIGHLIGHTS

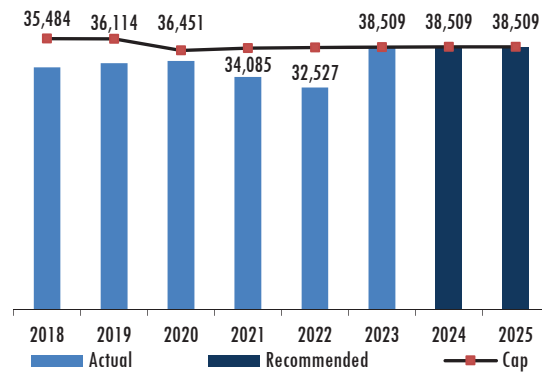
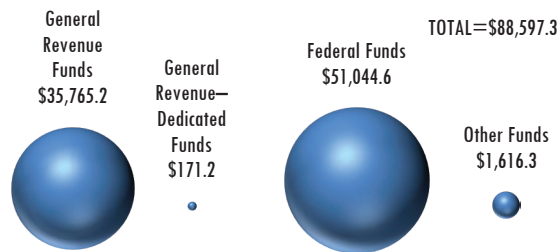
- Funding recommendations include \$331.2 million in Federal Funds for response to the COVID-19 pandemic in the 2024–25 biennium. This amount represents a decrease of \$2.0 billion in Federal Funds appropriated in Senate Bill 8, Eighty-Seventh Legislature, Third Called Session, 2021, and a decrease of \$3.5 billion for onetime COVID-19 Federal Grant awards expended in the 2022–23 biennium.
- Funding recommendations include decreases of \$0.1 million in General Revenue Funds and \$0.5 million in All Funds from the 2022–23 biennium for start-up costs associated with the Customer Service Efficiency Project. Recommendations also represent a \$200.0 million decrease in onetime funding for response to the pandemic that was transferred from the Health and Human Services Commission to DSHS.
- Funding recommendations include an increase of \$6.1 million in General Revenue Funds to offset the \$6.3 million reduction in Other Funds for the Texas Center for Infectious Disease operations related to transition from the Delivery System Reform Incentive Payment program.

- Funding recommendations include \$27.7 million in General Revenue Funds for estimated Data Center Consolidation Service needs provided by the Department of Information Resources.
- Funding recommendations represent an increase to backfill the onetime method-of-finance adjustment of \$10.5 million in General Revenue Funds, and \$7.6 million in General Revenue–Dedicated Funds transferred from DSHS to the Office of the Governor in the 2022–23 biennium.
- Funding recommendations include changes in method of financing that increase General Revenue Funds by \$0.8 million to offset an anticipated reduction of \$0.8 million in General Revenue–Dedicated Account No. 5022, Oyster Sales, due to projected revenue and account balance changes. Additional funding recommendations include an increase of \$6.1 million from General Revenue–Dedicated Account No. 5111, Trauma Facility and EMS, based on projected revenue. Funding recommendations also change the method of finance of \$5.5 million in Bond Proceeds from General Obligation Bonds to \$5.2 million in Interagency Contracts for the cancer registry contract between DSHS and the Cancer Prevention and Research Institute of Texas. The difference between the amounts is attributable to fringe benefits and maintains the amount from the 2022–23 to the 2024–25 biennia.
- Funding recommendations represent an increase of \$20.8 million in Other Funds, including \$13.9 million from the Public Health Medicaid Reimbursements Account and \$6.9 million from the HIV Vendor Drug Rebates Account. Of the \$6.9 million net increase, \$8.0 million is related to an anticipated unexpended balance transfer from the 2022–23 biennium to the 2024–25 biennium, which is offset by a \$0.9 million decrease in projected revenue.
- Funding recommendations include increases of \$23.3 million in General Revenue Funds and \$5.3 million in General Revenue–Dedicated Funds, for an All Funds increase of \$35.7 million for salary increases.

HEALTH AND HUMAN SERVICES COMMISSION

FIGURE 44
HEALTH AND HUMAN SERVICES COMMISSION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$32,755.1	\$35,765.2	\$3,010.1	9.2%
General Revenue–Dedicated Funds	\$181.4	\$171.2	(\$10.2)	(5.6%)
Federal Funds	\$60,369.5	\$51,044.6	(\$9,324.8)	(15.4%)
Other Funds	\$1,799.3	\$1,616.3	(\$183.0)	(10.2%)
Total, All Methods of Finance	\$95,105.3	\$88,597.3	(\$6,507.9)	(6.8%)



NOTES:

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

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

Funding recommendations for the Health and Human Services Commission (HHSC) for the 2024–25 biennium total \$88.6 billion in All Funds, which is a decrease of \$6.5 billion from the 2022–23 biennium. General Revenue Funds total \$35.8 billion, an increase of \$3.0 billion from the 2022–23 biennium.

HIGHLIGHTS

- Funding recommendations for Medicaid client services at HHSC for the 2024–25 biennium include \$71.7 billion in All Funds, including \$28.3 billion in General Revenue Funds and General Revenue–Dedicated Funds. This amount represents a decrease of \$8.2 billion in All Funds, including an increase of \$1.3 billion in General Revenue Funds, from 2022–23 biennial spending levels. Less favorable federal medical assistance percentages (FMAP) combined with the assumed loss of the 6.2 percentage-point increase to FMAP pursuant to the federal Families First Coronavirus Response Act result in a lower proportion of the program being funded with Federal Funds. The net increase in General Revenue Funds demand is offset partially by a decrease in General Revenue Funds demand due to the overall projected reduction in Medicaid client services. Cost growth for the 2024–25 biennium is not included. The 2022–23 biennial spending levels for Medicaid client services assume supplemental funding to complete fiscal year 2023 expenditures.
- Funding recommendations for Children’s Health Insurance Program (CHIP) client services for the 2024–25 biennium include \$1.8 billion in All Funds, including \$0.5 billion in General Revenue Funds, which is an increase of \$1.0 billion in All Funds, including an increase of \$0.3 billion in General Revenue Funds, from 2022–23 biennial spending levels. The All Funds increase is related primarily to projected caseload increases in the 2024–25 biennium following the assumed

end of the COVID-19 public health emergency and continuous Medicaid enrollment. Less favorable enhanced FMAPs combined with the assumed loss of the 6.2 percentage-point increase to FMAP result in a decrease in the proportion of the program that is federally funded. Cost growth for CHIP during the 2024–25 biennium is not included.

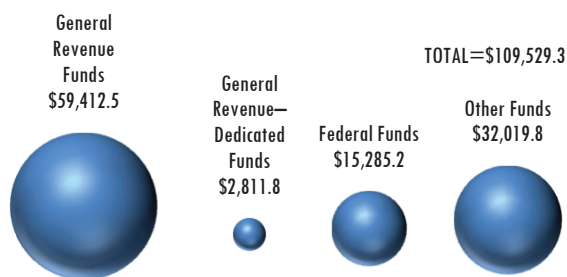
- Funding recommendations for non-Medicaid/CHIP behavioral health total \$4.2 billion in All Funds, including \$3.3 billion in General Revenue Funds and General Revenue–Dedicated Funds. This amount includes funding for inpatient client services at state and community mental health hospitals; outpatient services provided through local mental health authorities and local behavioral health authorities; substance abuse prevention, intervention, and treatment services for adults and children; mental healthcare services for veterans; and various other services. This amount is an increase of \$17.1 million in All Funds, primarily due to an increase of \$0.8 billion in General Revenue Funds for outpatient and inpatient mental health services partially offset by a decrease in Federal Funds and Other Funds associated with funding from the American Rescue Plan Act, Economic Stabilization Fund, and bonds appropriated for onetime construction projects and certain capital repair and renovation projects at state mental health hospitals and other state-funded inpatient mental health facilities. 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 \$91.2 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 \$7.7 billion in All Funds for the biennium.
- Funding recommendations for women’s health programs, including Healthy Texas Women, the Family Planning Program, Breast and Cervical Cancer Services, and Alternatives to Abortion, total \$547.2 million in All Funds, including \$339.8 million in General Revenue Funds. This amount is an increase of \$160.4 million in All Funds, including an increase of \$88.4 million in General Revenue Funds, to fully fund forecasted caseload growth for the Healthy Texas Women program, fund additional services within the Family Planning Program, and increase funding for the Alternatives to Abortion program.
- Funding recommendations for salary adjustments include an increase of \$353.4 million in All Funds, including \$203.2 million in General Revenue Funds and General Revenue–Dedicated Funds, for statewide salary increases for all eligible employees. Funding recommendations also include an increase of \$141.3 million in General Revenue Funds for state supported living centers; \$94.9 million in General Revenue Funds for state hospitals, which is included above in behavioral health funding; and \$181.7 million in All Funds, including \$90.6 million in General Revenue Funds, for integrated eligibility and enrollment, to maintain salary increases made during the 2022–23 biennium.

ARTICLE III – EDUCATION

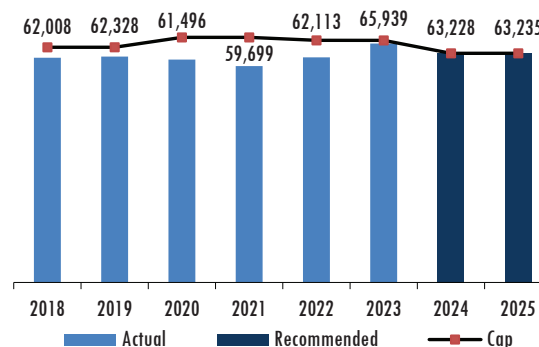
FIGURE 45
ARTICLE III – EDUCATION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$57,674.7	\$59,412.5	\$1,737.8	3.0%
General Revenue–Dedicated Funds	\$2,859.2	\$2,811.8	(\$47.5)	(1.7%)
Federal Funds	\$20,808.8	\$15,285.2	(\$5,523.6)	(26.5%)
Other Funds	\$20,388.9	\$32,019.8	\$11,631.0	57.0%
Total, All Methods of Finance	\$101,731.6	\$109,529.3	\$7,797.7	7.7%

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Biennial change and percentage change are calculated from actual amounts before rounding. Therefore, 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 funding, excluding the Teacher Retirement System, the Optional Retirement Program, and end-of-article benefits, totals \$72.7 billion in All Funds for the 2024–25 biennium, an increase of \$8.6 billion, or 13.5 percent, from the 2022–23 biennium. General Revenue Funds total \$32.2 billion, a decrease of \$2.1 billion, or 6.0 percent, from the 2022–23 biennium. Other Funds total \$28.0 billion for the 2024–25 biennium, an increase of \$10.9 billion, or 64.3 percent, primarily attributable to increases to the property tax relief fund and recapture payments, partially offset by decreases to interagency contracts. Federal Funds total \$12.5 billion, a \$223.1 million, or 1.8 percent, decrease from the 2022–23 biennium.

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

- FSP funding for the 2024–25 biennium includes \$29.9 billion in General Revenue Funds and \$57.6 billion in All Funds. This amount represents a biennial decrease of \$1.4 billion, or 4.4 percent, in General Revenue Funds, and an All Funds increase of \$9.8 billion, or 20.5 percent, from the 2022–23 biennium.
- Recommended funding for the FSP fully funds requirements in current law and includes: an estimated \$2.5 billion in All Funds for student enrollment growth; \$6.4 billion in All Funds savings due to district property value growth; \$12.8

billion in All Funds for additional state aid related to property tax relief; and \$2.4 billion in All Funds related to an increase in the golden penny yield.

- Non-FSP program and administration funding for the 2024–25 biennium includes \$2.3 billion in General Revenue Funds, a \$716.8 million decrease compared to the 2022–23 biennium. The net decrease is due primarily to a \$598.6 million decrease in onetime funding for programs associated with House Bill 1525, Eighty-seventh Legislature, Regular Session, 2021, and \$107.9 million for Maintenance of Financial Support obligations pursuant to the Individuals with Disabilities Education Act. Non-FSP funding for the 2024–25 biennium includes \$14.8 billion in All Funds, a decrease of \$1.2 billion that is attributable primarily to the expiration of \$448.8 million in federal funding from the Coronavirus Relief Fund and the removal of \$258.0 million in Other Funds associated with a Department of State Health Services contract related to the COVID-19 pandemic.

Funding for teacher retirement benefits includes \$5.8 billion in All Funds for the state contribution to retirement benefits of the Teacher Retirement System of Texas (TRS). Retiree health insurance funding totals \$960.2 million in General Revenue Funds for the statutorily required state contribution to TRS-Care of 1.25 percent of public education payroll.

Funding for Higher Education, excluding end-of-article benefits, totals \$27.1 billion in All Funds for the 2024–25 biennium, a decrease of \$732.7 million, or 2.6 percent, from the 2022–23 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$17.5 billion, an increase of \$469.4 million, or 2.8 percent, from the 2022–23 biennium. The majority of Higher Education funding provided from General Revenue Funds and General Revenue–Dedicated Funds consists of formula funding into the general academic institutions, Lamar State Colleges, Texas State Technical Colleges, health-related institutions, and public community and junior colleges, including the following areas:

- higher education formulas are supported by \$8.8 billion in General Revenue Funds and \$1.7 billion in statutory tuition in General Revenue–Dedicated Funds. Included in these amounts are an increase of \$193.8 million in General Revenue Funds and a decrease of \$27.5 million in General Revenue–Dedicated Funds. Formula funding rates from the 2022–23 biennium are maintained in recommendations for the 2024–25 biennium, except for an increase in the Lamar State Colleges’ Instruction and Administration formula rate, from \$7.20 to \$8.16 per contact hour;
- funding for nonformula support items at all institutions for the 2024–25 biennium totals \$1.1 billion in General Revenue Funds, which represents a decrease of \$10.7 million from the 2022–23 biennium;
- funding for the 2024–25 biennium for Capital Construction Assistance Projects revenue bond debt service totals \$1.4 billion in General Revenue Funds, which is an increase of \$135.2 million from the 2022–23 biennium; and
- funding for the Texas Higher Education Coordinating Board provides a total of \$233.1 million in All Funds for Graduate Medical Education Expansion. This amount includes \$211.1 million in General Revenue Funds, an increase of \$34.0 million from 2022–23 biennial appropriated funding levels, and \$22.0 million in distributions from the Permanent Fund Supporting Graduate Medical Education (Other Funds).

Figure 46 shows the All Funds appropriation for each agency in Article III, and **Figure 47** shows the General Revenue Funds appropriation for each agency. Subsequent pages in this chapter provide more details about funding levels for some of the agencies in Article III.

FIGURE 46
ARTICLE III – EDUCATION BY AGENCY OR GROUP, ALL FUNDS

(IN MILLIONS) FUNCTION	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Public Education				
Texas Education Agency	\$63,864.5	\$72,455.4	\$8,590.9	13.5%
Texas Permanent School Fund Corporation	\$45.5	\$98.5	\$53.0	116.5%
Texas School for the Blind and Visually Impaired	\$58.4	\$58.8	\$0.4	0.7%
Texas School for the Deaf	\$70.6	\$74.8	\$4.2	5.9%
Subtotal, Public Education	\$64,039.0	\$72,687.5	\$8,648.5	13.5%
Public Higher Education				
General Academic Institutions	\$8,296.4	\$8,124.0	(\$172.4)	(2.1%)
Health-related Institutions	\$3,627.0	\$3,777.4	\$150.4	4.1%
Texas A&M System Agencies	\$7,829.9	\$3,650.6	(\$4,179.3)	(53.4%)
Texas Higher Education Coordinating Board	\$2,382.6	\$2,252.8	(\$129.8)	(5.4%)
Higher Education Funds	\$3,498.2	\$3,894.3	\$396.1	11.3%
Article III, Special Provisions	\$0.0	\$3,150.0	\$3,150.0	N/A
Two-year Institutions				
Public Community/Junior Colleges	\$1,880.5	\$1,881.2	\$0.7	0.0%
Lamar Lower-level Institutions	\$119.8	\$138.4	\$18.6	15.5%
Texas State Technical Colleges	\$228.5	\$261.6	\$33.1	14.5%
Subtotal, Two-year Institutions	\$2,228.8	\$2,281.2	\$52.4	2.3%
Subtotal, Public Higher Education	\$27,863.0	\$27,130.2	(\$732.7)	(2.6%)
Teacher Retirement System of Texas	\$7,756.5	\$7,217.0	(\$539.5)	(7.0%)
Optional Retirement Program	\$295.0	\$295.0	\$0.0	0.0%
Higher Education Employees Group Insurance Contributions	\$1,428.6	\$1,434.7	\$6.1	0.4%
Retirement and Group Insurance	\$122.0	\$136.9	\$15.0	12.3%
Social Security and Benefit Replacement Pay	\$704.7	\$758.1	\$53.4	7.6%
Subtotal, Employee Benefits	\$10,306.7	\$9,841.8	(\$464.9)	(4.5%)
Bond Debt Service Payments	\$13.0	\$9.4	(\$3.6)	(27.8%)
Lease Payments	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Debt Service	\$13.0	\$9.4	(\$3.6)	(27.8%)
Less Interagency Contracts	\$490.1	\$139.6	(\$350.5)	(71.5%)
Total, All Functions	\$101,731.6	\$109,529.3	\$7,797.7	7.7%

NOTE: Biennial change and percentage change are calculated from actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCE: Legislative Budget Board.

FIGURE 47
ARTICLE III – EDUCATION BY AGENCY OR GROUP, GENERAL REVENUE FUNDS

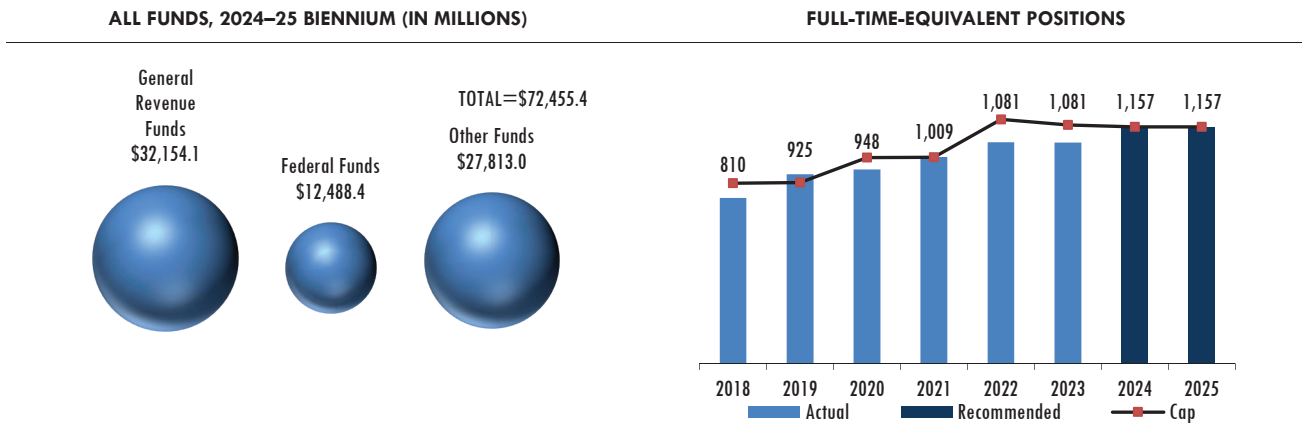
(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
FUNCTION				
Public Education				
Texas Education Agency	\$34,235.0	\$32,154.1	(\$2,080.9)	(6.1%)
Texas Permanent School Fund Corporation	\$0.0	\$0.0	\$0.0	N/A
Texas School for the Blind and Visually Impaired	\$37.9	\$43.2	\$5.3	14.0%
Texas School for the Deaf	\$41.1	\$44.7	\$3.6	8.8%
Subtotal, Public Education	\$34,314.0	\$32,242.0	(\$2,072.0)	(6.0%)
Public Higher Education				
General Academic Institutions	\$5,954.4	\$5,981.4	\$27.0	0.5%
Health-related Institutions	\$3,185.1	\$3,398.9	\$213.8	6.7%
Texas A&M System Agencies	\$465.7	\$447.4	(\$18.3)	(3.9%)
Texas Higher Education Coordinating Board	\$1,823.8	\$2,081.2	\$257.4	14.1%
Higher Education Funds	\$816.0	\$817.5	\$1.5	0.2%
Article III, Special Provisions	\$0.0	\$3,150.0	\$3,150.0	N/A
Two-year Institutions				
Public Community/Junior Colleges	\$1,880.5	\$1,881.2	\$0.7	0.0%
Lamar Lower-level Institutions	\$103.0	\$120.7	\$17.7	17.2%
Texas State Technical Colleges	\$216.2	\$247.1	\$30.9	14.3%
Subtotal, Two-year Institutions	\$2,199.7	\$2,249.0	\$49.3	2.2%
Subtotal, Higher Education	\$14,444.7	\$18,125.4	\$3,680.7	25.5%
Teacher Retirement System of Texas	\$6,591.5	\$6,663.2	\$71.7	1.1%
Optional Retirement Program	\$246.0	\$245.1	(\$1.0)	(0.4%)
Higher Education Employees Group Insurance Contributions	\$1,423.1	\$1,429.4	\$6.3	0.4%
Retirement and Group Insurance	\$80.2	\$93.6	\$13.4	16.8%
Social Security and Benefit Replacement Pay	\$562.2	\$604.4	\$42.2	7.5%
Subtotal, Employee Benefits	\$8,903.0	\$9,035.7	\$132.7	1.5%
Bond Debt Service Payments	\$13.0	\$9.4	(\$3.6)	(27.8%)
Lease Payments	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Debt Service	\$13.0	\$9.4	(\$3.6)	(27.8%)
Total, All Functions	\$57,674.7	\$59,412.5	\$1,737.8	3.0%

NOTE: Biennial change and percentage change are calculated from actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCE: Legislative Budget Board.

TEXAS EDUCATION AGENCY

FIGURE 48
TEXAS EDUCATION AGENCY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$34,235.0	\$32,154.1	(\$2,080.9)	(6.1%)
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$12,706.0	\$12,488.4	(\$217.7)	(1.7%)
Other Funds	\$16,923.5	\$27,813.0	\$10,889.5	64.3%
Total, All Methods of Finance	\$63,864.5	\$72,455.4	\$8,590.9	13.5%



NOTE: Biennial change and percentage change are calculated from actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the Texas Education Agency (TEA) for the 2024–25 biennium total \$72.5 billion in All Funds, an increase of \$8.6 billion, or 13.5 percent, compared to the 2022–23 biennium. This increase is due primarily to an increase of \$9.8 billion in the Foundation School Program (FSP), most of which is attributable to increases of \$9.3 billion from the Property Tax Relief Fund and \$1.7 billion in recapture payments from the 2022–23 biennium, partially offset by decreases of \$829.3 million from the Foundation School Fund and \$591.3 million from the Available School Fund. Recommendations also include a rider expressing the intent to increase funding for teacher compensation.

HIGHLIGHTS

- Funding of \$57.6 billion in All Funds is recommended for state aid to school districts and charter schools through the FSP, which represents a \$9.8 billion increase from the 2022–23 biennium. Appropriations from General Revenue Funds for the FSP total \$29.9 billion, which represents a decrease of \$1.4 billion from the 2022–23 biennium.
- Recommendations for property tax relief include \$15.0 billion in increased funding from the General Revenue Fund and the Property Tax Relief Fund and a reduction of \$2.2 billion in recapture payments. Estimated costs of district property tax compression required by current law during the 2024–25 biennium totals \$5.3 billion in General Revenue Funds. Of this amount, \$3.1 billion in General Revenue Funds is due to property tax compression pursuant to the Texas Education Code, Sections 48.2551 and 48.2552 (a) and (b), and \$2.2 billion is required to reduce the state compression percentage pursuant to the Texas Education Code, Section 48.2552(c). Additionally, recommendations provide \$9.7 billion from the Property Tax Relief Fund for additional property tax relief in future fiscal years, pursuant to Texas Education Agency, Rider 81, \$3.0 billion of which is to be used to increase the homestead exemption pursuant to the Texas Tax Code, Section 11.13(b), from \$40,000 to \$70,000. Any decreases to recapture payments related to the \$9.7 billion currently are not represented in recommendations.

- Recommended funding for the FSP fully funds requirements in current law and includes an estimated \$2.5 billion in All Funds for student enrollment growth; \$6.4 billion in All Funds savings due to district property value growth; \$12.8 billion in All Funds for additional state aid related to property tax relief; and \$2.4 billion in All Funds related to an increase in the golden penny yield.
- Recommended funding from Other Funds for the FSP increases by \$11.2 billion, attributable to projected increases of \$1.7 billion in recapture payments, \$9.3 billion from the Property Tax Relief Fund, and \$185.5 million from the Tax Reduction and Excellence in Education Fund. Of this amount, \$9.7 billion is attributable to a transfer from the General Revenue Fund to the Property Tax Relief Fund intended for additional property tax relief pursuant to Rider 81. Increased recapture payments for the 2024–25 biennium reflect significant district property value growth during fiscal year 2023.
- Instructional materials and technology funding is \$1.0 billion in General Revenue Funds and is based on a distribution rate of 24.3 percent of the Permanent School Fund to the Available School Fund. This funding level constitutes a \$307.0 million increase from 2022–23 biennial appropriations due to the restoration of a \$620.7 million reduction for the 2022–23 biennium to provide funding for intensive education supports established by House Bill 1525, Eighty-seventh Legislature, Regular Session, 2021, partially offset by a decrease of \$313.7 million in unexpended balances carried forward from fiscal year 2021 to the 2022–23 biennium.
- Excluding the funding for instructional materials, funding for non-FSP programs and administration decrease All Funds by \$1.5 billion and General Revenue Funds by \$1.0 billion due primarily to the elimination of onetime funding for the following programs in the 2024–25 recommendations:
 - \$17.1 million in General Revenue Funds for a Silent Panic Alert Technology grant;
 - \$598.6 million in General Revenue Funds for programs associated with House Bill 1525;
 - \$448.8 million in Federal Funds for relief related to the COVID-19 pandemic;
 - \$107.9 million in General Revenue funds for Maintenance of Financial Support obligations under the Individuals with Disabilities Education Act; and
 - \$258.0 million in Other Funds associated with an expiring Department of State Health Services contract related to the pandemic.
- Funding for TEA administration includes \$237.1 million in General Revenue Funds, representing a \$76.3 million increase, primarily related to establishing an Interagency Cybersecurity Initiative for Public Schools and salary adjustments.
- The agency’s full-time-equivalent position cap is increased from 1,080.5 for fiscal year 2023 to 1,157.0 for fiscal years 2024 and 2025.

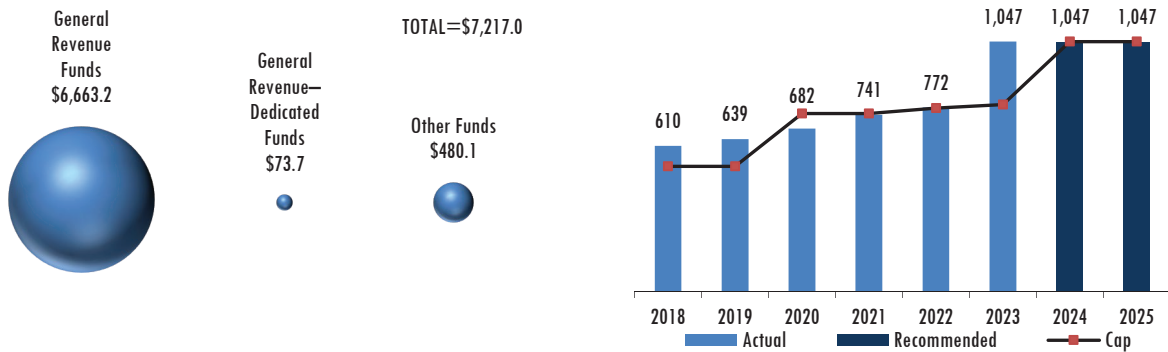
TEACHER RETIREMENT SYSTEM OF TEXAS

FIGURE 49
TEACHER RETIREMENT SYSTEM OF TEXAS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$6,591.5	\$6,663.2	\$71.7	1.1%
General Revenue–Dedicated Funds	\$68.6	\$73.7	\$5.2	7.5%
Federal Funds	\$721.3	\$0.0	(\$721.3)	(100.0%)
Other Funds	\$375.1	\$480.1	\$105.0	28.0%
Total, All Methods of Finance	\$7,756.5	\$7,217.0	(\$539.5)	(7.0%)

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTE: Biennial change and percentage change are calculated from actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the Teacher Retirement System of Texas (TRS) for the 2024–25 biennium total \$7.2 billion in All Funds. This amount represents a decrease of \$539.5 million, or 7.0 percent, from the 2022–23 biennial base. The decrease is due primarily to the removal of \$701.1 million in onetime General Revenue Funds for an additional annuity payment to TRS retirees in fiscal year 2022 and the removal of \$721.3 million in onetime Federal Funds to TRS-Care and ActiveCare to prevent premium increases associated with claims related to the COVID-19 pandemic. The decrease is offset partially by increases of \$323.9 million in All Funds for the increased state contribution rate, \$433.8 million in All Funds for projected payroll growth for the 2024–25 biennium, and \$100.3 million in Pension Trust Funds for administrative cost increases.

Funding recommendations consist of state contributions for public and higher education retirement and retired public education employee healthcare benefits (TRS-Care), based on active member payroll amounts.

Recommendations also include a rider expressing the intent to fund a benefit enhancement to TRS retirees, contingent on the actuarial soundness of the TRS Pension Trust Fund.

HIGHLIGHTS

- Funding recommendations for retirement benefits include \$5.7 billion in General Revenue Funds, \$73.7 million in General Revenue–Dedicated Funds, and \$14.2 million in Other Funds. Funding recommendations reflect a state contribution rate of 8.25 percent of active member payroll for retirement benefits for fiscal years 2024 and 2025. These contribution rates are increases from the 7.75 percent rate in effect for fiscal year 2022 and 8.0 percent rate for fiscal year 2023, pursuant to Senate Bill 12, Eighty-sixth Legislature, 2019. Funding for public education retirement benefits totals an estimated \$5.1 billion in General Revenue Funds for the 2024–25 biennium, a 15.1 percent increase

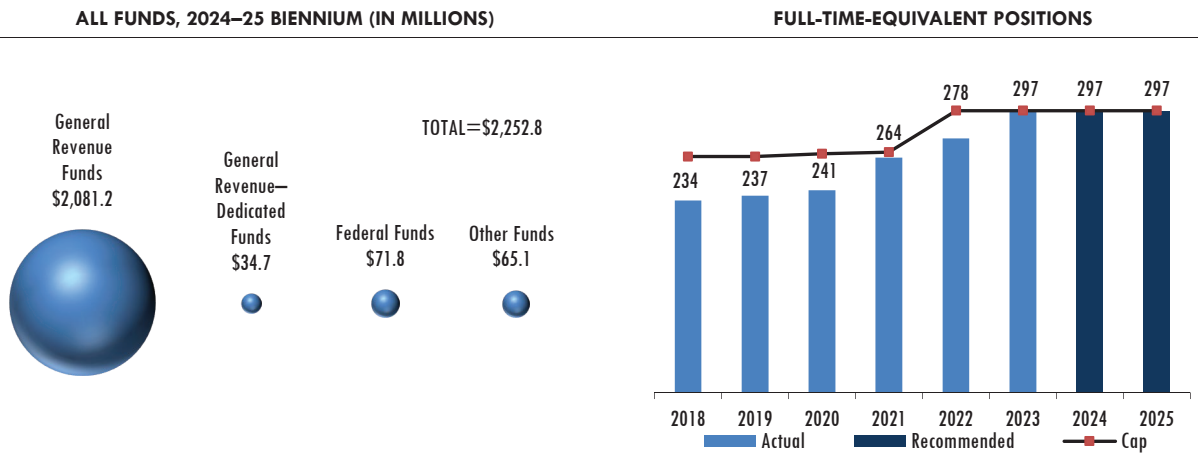
from the 2022–23 biennium. Funding recommendations for higher education retirement benefits total an estimated \$661.4 million in All Funds for the 2024–25 biennium, a 14.7 percent increase from the 2022–23 biennium. Increased funding for public and higher education retirement is attributable to the increased contribution rates and the growth of covered payroll, projected to be 3.6 percent for public education and 6.0 percent for higher education each year of the 2024–25 biennium.

- Funding recommendations for statutorily required contributions to TRS-Care for the 2024–25 biennium totals \$960.2 million in General Revenue Funds, an increase of \$46.3 million for payroll growth projected to be 3.6 percent each year of the 2024–25 biennium. Funding provides statutorily required contributions to TRS-Care equal to 1.25 percent of payroll.
- Funding recommendations do not include \$742.6 million in All Funds for onetime supplemental funding to TRS-Care and ActiveCare during the 2022–23 biennium, including \$21.3 million in General Revenue Funds for settle-up payments appropriated to TRS-Care in fiscal year 2023, and \$721.3 million in onetime Federal Funds appropriated to both TRS-Care and ActiveCare to prevent premium increases associated with claims related to the pandemic.
- Funding recommendations for administrative operations, which are supported by the TRS Pension Trust Fund (Other Funds), total \$465.9 million, a 27.4 percent increase from the 2022–23 biennium. The increase for administrative operations relates to several initiatives, including staff salary increases, the addition of 264.0 full-time-equivalent positions in fiscal year 2023, technology upgrades, and the effects of inflationary cost increases.

TEXAS HIGHER EDUCATION COORDINATING BOARD

**FIGURE 50
TEXAS HIGHER EDUCATION COORDINATING BOARD, BY METHOD OF FINANCE**

(IN MILLIONS) METHOD OF FINANCE	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$1,823.8	\$2,081.2	\$257.4	14.1%
General Revenue–Dedicated Funds	\$34.7	\$34.7	\$0.0	0.0%
Federal Funds	\$449.1	\$71.8	(\$377.3)	(84.0%)
Other Funds	\$75.0	\$65.1	(\$9.9)	(13.2%)
Total, All Methods of Finance	\$2,382.6	\$2,252.8	(\$129.8)	(5.4%)



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the Texas Higher Education Coordinating Board for the 2024–25 biennium total \$2.3 billion in All Funds, a \$129.8 million, or 5.4 percent, decrease from 2022–23 biennial funding levels. Funding includes \$2.1 billion in General Revenue Funds, an increase of \$257.4 million, or 14.1 percent, from 2022–23 biennial funding levels.

HIGHLIGHTS

- Funding recommendations provide \$280.6 million in General Revenue Funds for the Texas Child Mental Health Care Consortium, an increase of \$156.2 million from the 2022–23 biennial funding levels.
- Funding recommendations include \$233.1 million in All Funds for Graduate Medical Education Expansion. This amount includes \$211.1 million in General Revenue Funds, an increase of \$34.0 million from 2022–23 biennial funding levels, and \$22.0 million in distributions from the Permanent Fund Supporting Graduate Medical Education (Other Funds) to meet the 1.1 to 1 ratio of first year residency positions for each Texas medical school graduate.
- Funding recommendations provide \$28.0 million in General Revenue Funds for the Mental Health Loan Repayment Program, an increase of \$24.8 million from 2022–23 biennial funding levels.
- Funding recommendations provide \$7.0 million in General Revenue Funds for the Nursing Faculty Loan Repayment Program, an increase of \$4.1 million from 2022–23 biennial funding levels.
- Funding recommendations provide \$76.4 million in General Revenue Funds for Baylor College of Medicine Undergraduate Medical Education, a decrease of \$3.0 million from 2022–23 biennial funding levels.

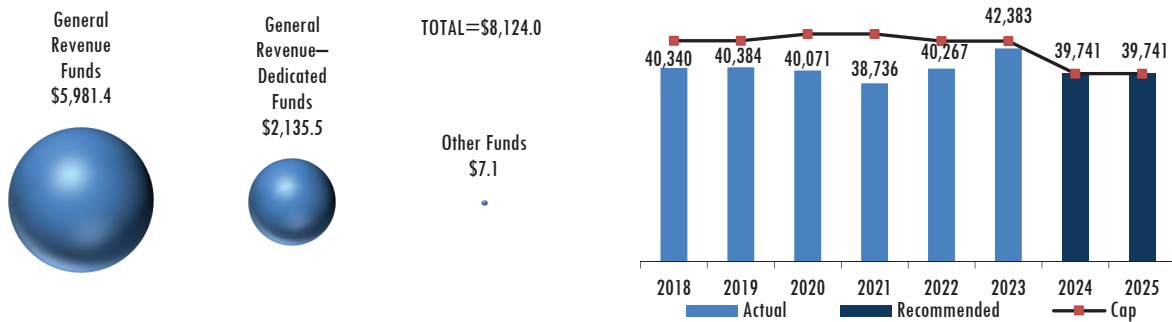
- Funding recommendations provide \$18.0 million in General Revenue Funds for Baylor College of Medicine Graduate Medical Education, an increase of \$1.2 million from 2022–23 biennial funding levels.
- Funding recommendations provide \$14.7 million for the Texas Armed Services Scholarship Program, an increase of \$8.0 million from 2022–23 biennial funding levels.
- Funding recommendations represent an increase of \$4.2 million in General Revenue Funds for statewide salary and benefits increases.
- Funding recommendations represent a decrease of \$227.8 million in Federal Funds from Governor’s Emergency Education Relief funds, which were allocated to the agency in fiscal year 2022.
- Funding recommendations represent a decrease of \$149.1 million in Federal Funds that previously were appropriated to the agency in Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021. The agency was appropriated \$113.1 million in additional funds for the Texas Child Mental Health Care Consortium, \$20.0 million for the Texas Reskilling and Upskilling Through Education Program, \$15.0 million in additional federal funds for Performance-Based Funding for At-Risk Students at Comprehensive Universities, and \$1.0 million in additional federal funds for the Rural Veterinarians Grant Program.
- Funding recommendations represent a decrease of \$0.4 million in Federal Funds due to anticipated decreases in Perkins funds that the agency will receive in the 2024–25 biennium.
- Funding recommendations represent a \$9.9 million decrease in Other Funds, primarily from aligning funding levels with projected distributions from certain tobacco funds.

GENERAL ACADEMIC INSTITUTIONS

FIGURE 51
GENERAL ACADEMIC INSTITUTIONS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$5,954.4	\$5,981.4	\$27.0	0.5%
General Revenue–Dedicated Funds	\$2,221.7	\$2,135.5	(\$86.2)	(3.9%)
Federal Funds	\$104.4	\$0.0	(\$104.4)	(100.0%)
Other Funds	\$15.9	\$7.1	(\$8.8)	(55.5%)
Total, All Methods of Finance	\$8,296.4	\$8,124.0	(\$172.4)	(2.1%)

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)	FULL-TIME-EQUIVALENT POSITIONS
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NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the general academic institutions and university system offices for the 2024–25 biennium totals \$8.1 billion in All Funds, a \$172.4 million decrease from the 2022–23 biennium due primarily to the expenditure of onetime federal funding. Included in this funding is \$6.0 billion in General Revenue Funds, which is a \$27.0 million, or 0.5 percent, increase from the 2022–23 biennium. Funding recommendations for the Lamar State Colleges and the Texas State Technical Schools for the 2024–25 biennium, which do not appear in **Figure 51**, total \$400.0 million in All Funds, an increase of \$51.7 million from the 2022–23 biennium. Included in this total is \$367.8 million in General Revenue Funds, an increase of \$48.6 million from the 2022–23 biennium.

HIGHLIGHTS

- Funding recommendations provide \$3.9 billion in General Revenue Funds for the Instruction and Operations and the Infrastructure Support formulas, which is an increase of \$5.7 million from the 2022–23 biennium. Funding maintains formula funding rates from the 2022–23 biennium, providing an All Funds Instruction and Operations Formula rate of \$55.66 per weighted semester credit hour, and an Infrastructure Formula rate of \$5.47 per predicted square foot.
- Funding recommendations include \$69.9 million in General Revenue Funds for the Instruction and Administration formula at the Lamar State Colleges. This is an increase of \$11.4 million in General Revenue Funds from the 2022–23 biennium and increases the funding rate per contact hour per year from \$7.20 to \$8.16.
- Funding recommendations include \$155.5 million in General Revenue Funds for the Texas State Technical Colleges (TSTC) Instruction and Operations formula, which is an increase of \$15.6 million from the 2022–23 biennium and maintains the returned value funding rate of 35.9 percent. The Small Institution Supplement for TSTCs also increased

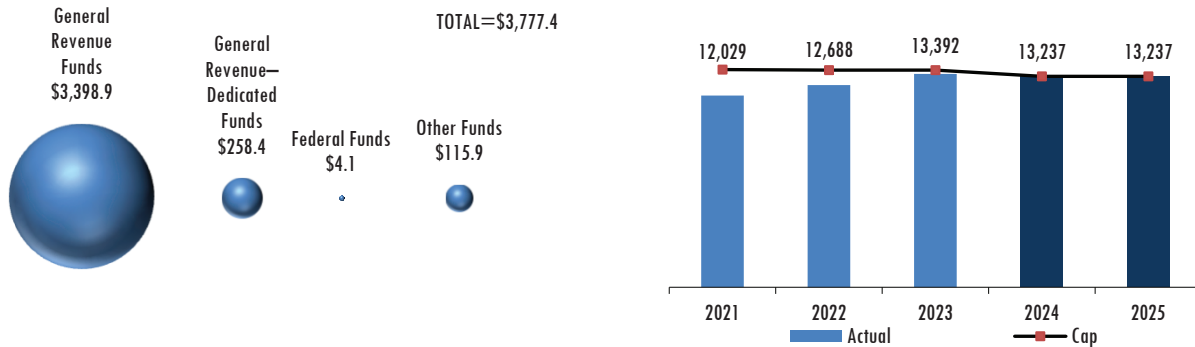
from \$1.3 million to \$2.6 million, resulting in an additional \$7.0 million in General Revenue for the campuses through the Infrastructure Formula.

- Funding recommendations for the 2024–25 biennium include \$151.5 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). Recommended TRUF funding maintains the funding rate per research expenditure and constitutes an increase of \$4.4 million in General Revenue Funds compared to the 2022–23 biennium.
- Funding recommendations provide state support for the eight emerging research universities through: (1) \$33.3 million in General Revenue Funds for the Texas Research Incentive Program (TRIP); and (2) \$123.5 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. Recommended CRS funding maintains the funding rate per research expenditure and constitutes an increase of \$6.4 million in General Revenue Funds compared to the 2022–23 biennium.
- Funding recommendations also provide for \$14.8 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. Recommended CRF funding maintains the funding rate per research expenditure and is an increase of \$0.5 million in General Revenue compared to the 2022–23 biennium.
- Nonformula support item funding totals \$792.0 million, a decrease of \$18.6 million in General Revenue Funds for nonformula support items at general academic institutions and university system offices.
- Funding recommendations include \$952.0 million in General Revenue Funds for Capital Construction Assistance Projects revenue bond debt service for previously authorized projects for the general academic institutions and system offices, and \$65.9 million for TSTCs and Lamar State Colleges.

HEALTH-RELATED INSTITUTIONS

FIGURE 52
HEALTH-RELATED INSTITUTIONS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$3,185.1	\$3,398.9	\$213.8	6.7%
General Revenue–Dedicated Funds	\$241.0	\$258.4	\$17.4	7.2%
Federal Funds	\$23.6	\$4.1	(\$19.5)	(82.7%)
Other Funds	\$177.2	\$115.9	(\$61.3)	(34.6%)
Total, All Methods of Finance	\$3,627.0	\$3,777.4	\$150.4	4.1%



NOTE: Biennial change and percentage change are calculated from actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the health-related institutions (HRI) for the 2024–25 biennium total \$3.8 billion in All Funds, an increase of \$150.4 million from the 2022–23 biennium. Of this funding, \$3.4 billion consists of General Revenue Funds, an increase of \$213.8 million from the 2022–23 biennium. The increase in General Revenue Funds primarily is due to: increases in formula funding to maintain 2022–23 biennial rates and methodologies across all formulas; Capital Construction Assistance Projects debt service increases related to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; the addition of formula funding for the Sam Houston State University College of Osteopathic Medicine; and support for the construction of research facilities at Texas A&M University Health Science Center.

HIGHLIGHTS

- Recommended funding for the HRIs includes appropriations to 15 institutions. Included in these appropriations is funding for the University of Texas at Austin Dell Medical School through the University of Texas at Austin bill pattern and for the Sam Houston State University College of Osteopathic Medicine through the Sam Houston State University bill pattern. Appropriations to Baylor College of Medicine appear in the bill pattern for the Texas Higher Education Coordinating Board but are included in formula amounts, which are discussed in the following sections.
- Recommended formula funding provides \$2.7 billion in General Revenue Funds for the 14 HRI formulas that were funded in the 2022–23 biennium: the Instruction and Operations (I&O) Support formula; Infrastructure Support formula; Research Enhancement formula; Graduate Medical Education formula; four clinical operations-based, mission-specific formulas (the University of Texas M.D. Anderson’s Cancer Center Operations formula, the University of Texas Health Science Center at Tyler’s Chest Disease formula, the University of Texas Medical Branch at Galveston Health Systems Operations formula, and the Texas Tech University Health Sciences Center at El Paso Border Health Operations

formula); and six Performance Based Research Operations formulas at the University of Texas Southwestern Medical Center, the University of Texas Health Science Center at Houston, the University of Texas Health Science Center at San Antonio, the Texas A&M University Health Science Center, the University of North Texas Health Science Center at Fort Worth, and the Texas Tech University Health Sciences Center.

- Funding recommendations for the I&O Support formula maintain the 2022–23 biennial rate and total \$1.3 billion in General Revenue Funds, which represents an increase of \$60.7 million from the 2022–23 biennium. The I&O formula includes \$45.3 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. Funding recommendations for the Infrastructure formula maintain the 2022–23 biennial rate and total \$287.7 million in General Revenue Funds, which represents an increase of \$1.2 million from the 2022–23 biennium.
- Funding recommendations for the Texas Higher Education Coordinating Board maintains the historical methodology for the Baylor College of Medicine Undergraduate Medical Education formula and totals \$76.4 million in General Revenue Funds, which represents a decrease of \$3.0 million from the 2022–23 biennium.
- Recommended funding for the Research Enhancement formula maintains the 2022–23 biennial rate and totals \$101.6 million in General Revenue Funds, which represents an increase of \$5.1 million from the 2022–23 biennium.
- Recommended funding for the Graduate Medical Education formula maintains the 2022–23 biennial rate and totals \$114.2 million in General Revenue Funds appropriated to health-related institutions and Baylor College of Medicine, which represents an increase of \$10.7 million from the 2022–23 biennium.
- Funding recommendations increase funding for the four clinical, mission-specific formulas by 2.9 percent to align with growth in the I&O formula. This results in \$289.0 million in General Revenue Funds for the Cancer Center Operations formula for the University of Texas M.D. Anderson Cancer Center, \$64.0 million in General Revenue Funds for the Chest Disease Center Operations formula for the University of Texas Health Science Center at Tyler, \$314.8 million in General Revenue Funds for the Health Systems Operations formula for the University of Texas Medical Branch at Galveston, and \$28.3 million in General Revenue Funds for the Border Health Operations formula for Texas Tech University Health Sciences Center at El Paso. Total funding increases for the four formulas represent an increase of \$19.7 million from the 2022–23 biennium.
- Funding recommendations maintain the dynamic base rate match methodology for the Performance Based Research Operations formulas for the University of Texas Southwestern Medical Center, the University of Texas Health Science Center at Houston, and the University of Texas Health Science Center at San Antonio. This results in total funding of \$130.8 million in General Revenue Funds for the University of Texas Southwestern Medical Center, \$42.9 million in General Revenue Funds for the University of Texas Health Science Center at Houston, and \$38.5 million in General Revenue Funds for the University of Texas Health Science Center at San Antonio. Total funding increases for these three formulas represent an increase of \$46.5 million from the 2022–23 biennium.
- Funding recommendations for the Performance Based Research Operations formula for the University of North Texas Health Science Center at Fort Worth is maintained at the base rate for the 2022–23 biennium and totals \$33.1 million in General Revenue Funds. The base rates for the Performance Based Research Operations formulas for Texas A&M University Health Science Center and Texas Tech University Health Sciences Center were increased to align with the initial base match rate calculation and total \$31.2 million and \$3.2 million in General Revenue Funds, respectively. Total funding increases for these three formulas represent an increase of \$19.8 million from the 2022–23 biennium.
- Funding recommendations for nonformula support items total \$273.6 million, an increase of \$7.9 million from 2022–23 biennial General Revenue Funds base funding due to an increase of \$25.0 million for the Texas A&M University Health Science Center for construction of research facilities, which is partially offset by the reallocation of \$6.0 million from the Woody L. Hunt School of Dental Medicine strategy to a new Dental Clinic Operations strategy at Texas Tech

University Health Sciences Center at El Paso, the reallocation of \$0.4 million from the University of Texas Health Science Center at San Antonio to the University of Texas System Administration for the Multi-institution Center in Laredo, and the removal of \$10.0 million in onetime funding for the School of Public Health at the University of Texas Southwestern Medical Center. Additionally, funding for the University of Texas Health Sciences Center includes \$18.2 million from new General Revenue–Dedicated Account No. 5189 to support overdose prevention, education, and overdose reversal medication access.

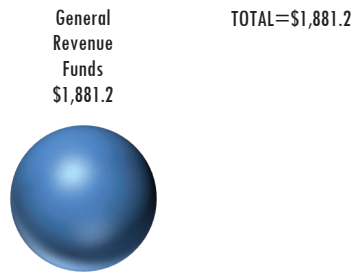
- Funding recommendations provide \$382.9 million in General Revenue Funds for Capital Construction Assistance Projects bond and other debt service, an increase of \$36.9 million from the 2022–23 biennium related to construction authorized in Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021.

PUBLIC COMMUNITY AND JUNIOR COLLEGES

FIGURE 53
PUBLIC COMMUNITY AND JUNIOR COLLEGES, BY METHOD OF FINANCE

(IN MILLIONS) METHOD OF FINANCE	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$1,880.5	\$1,881.2	\$0.7	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	\$0.0	\$0.0	\$0.0	N/A
Total, All Methods of Finance	\$1,880.5	\$1,881.2	\$0.7	0.0%

ALL FUNDS, 2024–25 BIENNium (IN MILLIONS)



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

Funding recommendations for public community and junior colleges for the 2024–25 biennium total \$1.9 billion in General Revenue Funds, an increase of \$0.7 million from the 2022–23 biennium.

HIGHLIGHTS

- Recommendations maintain formula funding of \$1.83 billion from the 2022–23 biennium. Formula amounts maintain core operations funding at \$1.4 million for each community college district, increase the contact hour rate from \$2.84 to \$2.94, and increase the success point rate from \$247.91 to \$252.37. The number of contact hours decreased by 3.6 percent, and success points decreased by 1.8 percent from the 2022–23 biennium. Success Point Formula funding for the 2022–23 biennium was based on a three-year average of points awarded from 2017 to 2019; therefore, this session will be the first in which attainment of student outcomes may be affected by the COVID-19 pandemic. Nonformula support item recommendations maintain funding of \$47.0 million in General Revenue Funds from the 2022–23 biennium.
- Recommendations for bachelor of applied technology programs total \$4.1 million, an increase of \$0.7 million from the 2022–23 biennium.
- No information regarding full-time-equivalent positions is included because these positions are not appropriated for public community and junior colleges.
- Not shown in **Figure 53**, the Special Provisions Relating only to State Agencies of Higher Education include additional formula funding of \$428.0 million in General Revenue Funds for the 2024–25 biennium contingent on enactment of legislation in the Eighty-eighth Legislature, 2023. Also included in the contingency provision is biennial funding

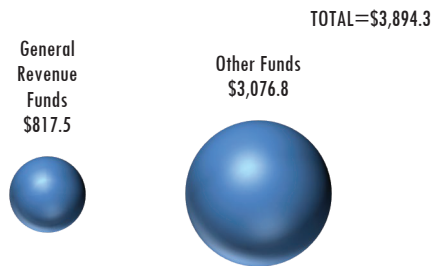
to be appropriated to the Texas Higher Education Coordinating Board of \$33.0 million in General Revenue Funds for workforce development grants to be dispersed to the public community and junior colleges, \$125.0 million in General Revenue Funds for the Texas Educational Opportunity Grant (TEOG) Program for students attending public community and junior colleges, \$14.0 million in General Revenue Funds for the TEOG Program for students attending State and Technical Colleges, and \$50.0 million to be dispersed from the Foundation School Program for tuition assistance to economically disadvantaged students participating in dual-credit courses.

HIGHER EDUCATION FUNDS

FIGURE 54
HIGHER EDUCATION FUNDS, BY METHOD OF FINANCE

(IN MILLIONS) METHOD OF FINANCE	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$816.0	\$817.5	\$1.5	0.2%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$2,682.2	\$3,076.8	\$394.6	14.7%
Total, All Methods of Finance	\$3,498.2	\$3,894.3	\$396.1	11.3%

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)



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

Funding recommendations for the Available University Fund (AUF) for the 2024–25 biennium total an estimated \$3.0 billion in Other Funds, which is an increase of \$393.7 million. The Permanent University Fund (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 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 \$3.0 billion in AUF appropriations for the 2024–25 biennium are based on the Board of Regents’ annual PUF distribution amounts, which are projected to increase from the fiscal year 2023 amount by a rate equal to the Consumer Price Index plus 2.65 percent, not to exceed the constitutional limits on annual PUF distribution.

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 2024–25 biennium totals \$787.5 million in General Revenue Funds, which represents no change from the 2022–23 biennium.

Funding recommendations for the Support for Military and Veterans Exemptions for the 2024–25 biennium total an estimated \$49.8 million in All Funds, an increase of \$2.1 million in All Funds from the 2022–23 biennium. The All Funds amount includes \$19.8 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, as projected by the Texas Treasury Safekeeping Trust Company (TTSTC), and the restoration of the 5.0 percent reduction to the General Revenue portion by the Eighty-seventh Legislature, Regular Session, 2021.

Funding recommendations for the Available National Research University Fund (ANRUF) for the 2024–25 biennium total an estimated \$57.7 million in Other Funds, which is an increase of \$0.2 million from the 2022–23 biennium. The increase in funding is due to anticipated growth of the ANRUF projected by the TTSTC.

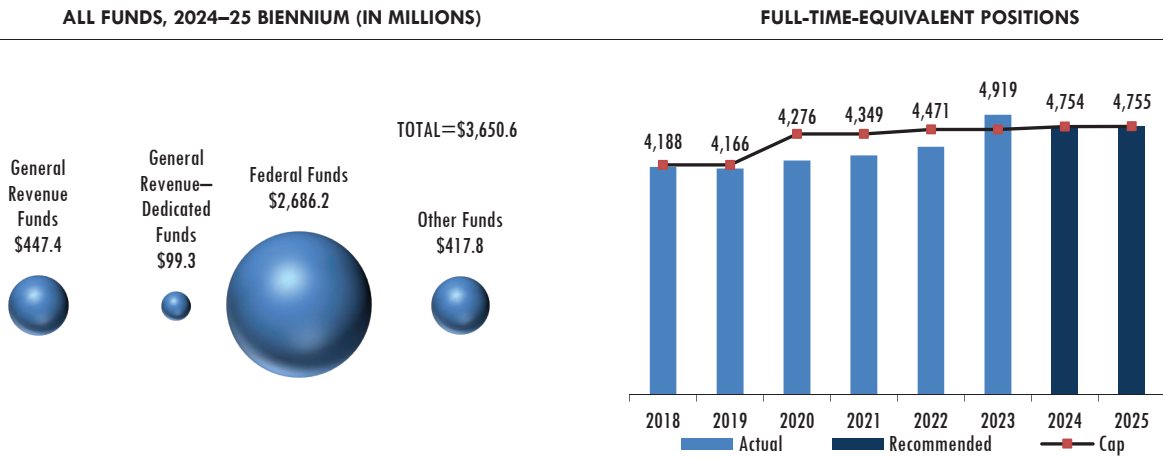
HIGHLIGHTS

- The Texas Constitution requires the Legislature to review the HEF formula allocation every 10 years and grants it discretion to adjust the amount and allocation of the HEF appropriation once every five years. Based on recommendations from a methodology study published by the Texas Higher Education Coordinating Board in fiscal year 2018, the annual HEF appropriation of \$393.8 million was maintained for fiscal years 2020 to 2025. The current allocation amounts for HEF-eligible institutions are specified 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 2024–25 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, Chapter 62, 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. However, if more than four institutions qualify, each eligible institution receives an equal share of the total appropriation.
- Although not shown in **Figure 54**, funding recommendations include an increase of \$2.5 billion in General Revenue Funds for immediate deposit to an account or fund to be managed by an entity to be determined, contingent upon the enactment of legislation in the Eighty-eighth Legislature, 2023, relating to endowment funding for the support of institutions of higher education. This amount is included in Special Provisions Relating Only to State Agencies of Higher Education.

TEXAS A&M UNIVERSITY SYSTEM AGENCIES

FIGURE 55
TEXAS A&M UNIVERSITY SYSTEM AGENCIES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$465.7	\$447.4	(\$18.3)	(3.9%)
General Revenue–Dedicated Funds	\$96.3	\$99.3	\$3.0	3.1%
Federal Funds	\$6,765.5	\$2,686.2	(\$4,079.3)	(60.3%)
Other Funds	\$502.4	\$417.8	(\$84.7)	(16.9%)
Total, All Methods of Finance	\$7,829.9	\$3,650.6	(\$4,179.3)	(53.4%)



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the Texas A&M University (TAMU) System agencies for the 2024–25 biennium total \$3.7 billion in All Funds, a decrease of \$4.2 billion from the 2022–23 biennium. Of this funding, \$546.7 million consists of General Revenue Funds and General Revenue–Dedicated Funds, a decrease of \$15.3 million from the 2022–23 biennium.

HIGHLIGHTS

- The TAMU System 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: Texas A&M AgriLife Research, Texas A&M AgriLife Extension Service, Texas A&M Engineering Experiment Station (TEES), Texas A&M Engineering Extension Service, Texas A&M Transportation Institute, Texas A&M Forest Service (TFS), Texas A&M Veterinary Medical Diagnostic Laboratory, and the Texas Division of Emergency Management (TDEM).
- Funding for TEES includes a total decrease of \$2.5 million in General Revenue Funds, which consists of a decrease of \$5.0 million for the conclusion of state support for startup costs of the Rio Grande Valley Advanced Manufacturing Innovation Hub in fiscal year 2025, a decrease of \$2.5 million in onetime funding for the collaboration between TEES and Army Futures Command, and an increase of \$5.0 million for the Aerospace Scholars Program.
- Funding for TFS includes an increase of \$2.5 million from the General Revenue–Dedicated Account No. 36, Texas Department of Insurance Operating Fund, for aviation support costs, including flame retardant, that cannot be deferred under federal agreement.
- Funding for TDEM includes a decrease of \$66.4 million in General Revenue Funds for onetime funded projects in the 2022–23 biennium, which consists of \$51.4 million for capital support for warehouse construction costs, \$10.0 million

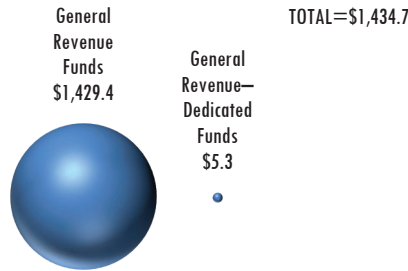
for Disaster Recovery Loan Program funds, and \$5.0 million for capital support for the Brazoria County Emergency Operations Center.

- Funding for TDEM represents a decrease of \$4.1 billion in Federal Funds due to the anticipated reduction of funding related to the COVID-19 pandemic and other federal disaster funding. Additionally, recommendations include a decrease of \$91.4 million in Other Funds, primarily due to Disaster and Deficiency Grants received from the Office of the Governor to support disaster response.
- Funding includes a decrease of \$5.5 million in General Revenue Funds from TDEM and \$2.1 million in General Revenue Related funds from TFS for the removal of vehicle purchase and fleet support costs, which are planned for inclusion in a supplemental appropriations bill.
- Funding recommendations for the seven engineering and agricultural agencies includes infrastructure support inside Brazos County that aligns with the general academic institutions' Infrastructure Formula rate, which results in a \$1.1 million increase in General Revenue Funds from the 2022–23 biennium.
- Funding recommendations for all eight TAMU System agencies include a total of \$60.5 million in All Funds for a statewide salary increase. This amount consists of \$58.0 million in General Revenue Funds and General Revenue–Dedicated Funds and \$2.5 million in Federal Funds.

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE

FIGURE 56
HIGHER EDUCATION EMPLOYEES GROUP INSURANCE, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–22	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$1,423.1	\$1,429.4	\$6.3	0.4%
General Revenue–Dedicated Funds	\$5.5	\$5.3	(\$0.2)	(3.0%)
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	\$1,428.6	\$1,434.7	\$6.1	0.4%
ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)	FULL-TIME-EQUIVALENT POSITIONS			



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for Higher Education Employees Group Insurance for the 2024–25 biennium total \$1.4 billion in All Funds, a \$6.1 million, or 0.4 percent, increase from 2022–23 biennial funding levels due to an increase in enrollees at the community colleges. Because the premium rate for the community colleges is set in statute, funding must correspond with enrollee headcount changes.

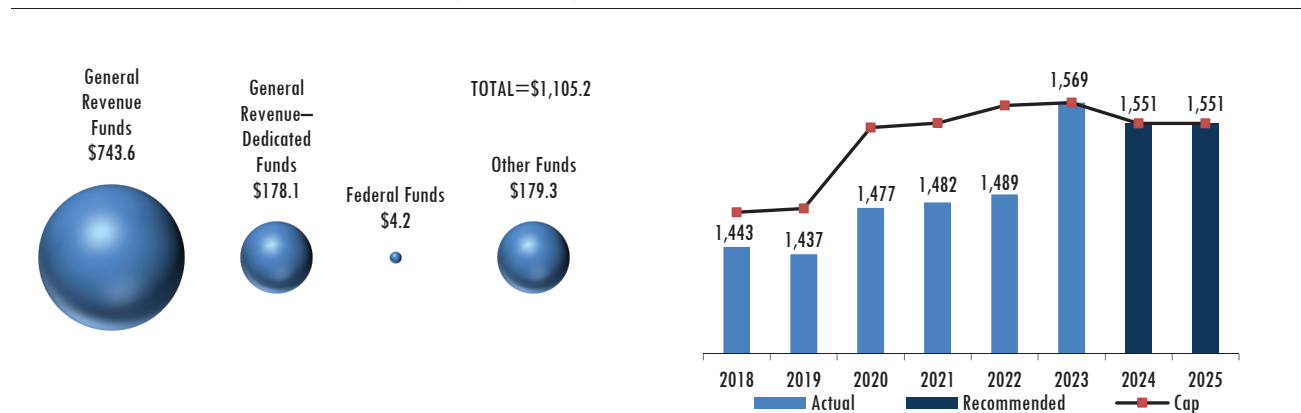
HIGHLIGHTS

- Recommended proration percentages of the full Employees Retirement System of Texas (ERS) premium rate are 78.7 percent for the University of Texas (UT) and Texas A&M University (TAMU) systems and 79.1 percent for non-community college institutions participating in the ERS plan.
- The proration percentage for community college districts is set in statute at 50.0 percent of the full ERS premium rate.
- The number of participants (active employees, retirees, and dependents) in the group insurance programs for the UT System, TAMU System, and ERS totaled 491,000 for fiscal year 2022.
- Funding recommendations hold 19 community colleges harmless through the benefits petition process due to decreases in enrollment.

ARTICLE IV – JUDICIARY

FIGURE 57
ARTICLE IV – JUDICIARY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$597.7	\$743.6	\$145.9	24.4%
General Revenue–Dedicated Funds	\$197.9	\$178.1	(\$19.8)	(10.0%)
Federal Funds	\$14.9	\$4.2	(\$10.6)	(71.6%)
Other Funds	\$182.0	\$179.3	(\$2.8)	(1.5%)
Total, All Methods of Finance	\$992.5	\$1,105.2	\$112.7	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 recommendations for the Judiciary agencies total \$1.1 billion for the 2024–25 biennium, which is an increase of \$112.7 million, or 11.4 percent, from the 2022–23 biennium. Recommended General Revenue Funds total \$743.6 million, which is an increase of \$145.9 million, or 24.4 percent, from the 2022–23 biennium. General Revenue–Dedicated Funds total \$178.1 million, which is a decrease of \$19.8 million, or 10.0 percent, from the 2022–23 biennium.

Funding recommendations for the Judiciary support administration of the Texas court system. This support includes the operations of 16 appellate courts and 73 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

- Recommended funding provides an estimated \$259.5 million in All Funds, an increase of \$2.0 million, for judicial salaries and supplements under the tiered, tenure-based compensation structure established by the Texas Government Code, Section 659.012. The recommended increase includes \$1.2 million for district judge salaries, \$0.3 million for appellate court judge and justice salaries, and \$0.5 million for county-level judge salary supplements.
- Recommended funding provides \$113.3 million in All Funds for the Texas Indigent Defense Commission (TIDC) to assist counties in establishing, developing, and maintaining cost-effective indigent defense services. This amount is a

decrease of \$23.4 million from 2022–23 biennial spending levels. The decrease includes a COVID-19 pandemic-related decrease of \$21.3 million in court-cost revenues deposited to General Revenue–Dedicated Account No. 5073, Fair Defense; the discontinuation of \$1.9 million in onetime Governor’s Disaster/Emergency/Deficiency Grant funding for Operation Lone Star costs; and \$0.2 million in Other Funds for Interagency Contracts – Criminal Justice Grants that no longer is available to provide TIDC training to attorneys defending juvenile clients. Recommendations continue funding levels of General Revenue Funds from House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, to provide legal representation for indigent clients in border security cases. In addition, recommended funding continues to provide six universities \$1.2 million for the Innocence Project at 2022–23 biennial levels.

- Recommended funding includes an estimated \$76.6 million in All Funds, a decrease of \$5.9 million from 2022–23 biennial levels, for the Supreme Court of Texas to provide basic civil legal services (BCLS) to eligible recipients. The decrease is due to \$5.9 million in Other Funds from the Judicial Fund No. 573 having been carried forward into fiscal year 2022 from fiscal year 2021 as a onetime expense. Funding recommendations continue \$59.6 million in All Funds to provide BCLS for indigent clients at 2022–23 biennial spending levels, including \$10.0 million to provide BCLS to victims of sexual assault and \$7.0 million to provide BCLS to veterans and their families.
- Recommended funding includes \$52.5 million in General Revenue–Dedicated Funds from Account No. 5157, Statewide Electronic Filing System, to provide for Statewide Electronic Filing System vendor contract payments, maintenance costs for the Uniform Case Management System, and statewide judicial technology projects identified by the Office of Court Administration (OCA). This amount includes an increase of \$0.8 million from 2022–23 biennial spending levels due to anticipated increases in revenue from filing fees and court costs paid by people convicted of an offense.
- Recommended funding provides \$33.5 million in General Revenue Funds through OCA for border security purposes (including \$0.9 million transferred to the Judiciary Section, Comptroller’s Department), which includes an increase of \$1.0 million from 2022–23 biennial spending levels. This recommendation continues funding of \$31.6 million provided in the 2022–23 biennium through House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, for legal representation for indigent clients, foreign language interpreters for courts, increased staff functions, equipment purchases, and program administration costs. Recommended funding also includes an additional \$1.0 million with 4.1 full-time-equivalent positions to provide additional magistration services, including weekend services; manage hearings conducted over videoconferencing platforms; and support counties with the adjudication of border security cases during the 2024–25 biennium.
- Recommended funding includes \$30.3 million in All Funds for Child Protection Courts and Child Support Courts within the OCA. This amount includes \$13.2 million for 30 Child Protection Courts and \$17.1 million in for 43 Child Support Courts.
- Recommended funding provides \$25.9 million in All Funds, which continues 2022–23 biennial spending levels, for the Court of Criminal Appeals’ Judicial Education grant program to provide: legal education and technical assistance judges, court staff, prosecuting attorneys and their staff, and criminal defense attorneys that regularly represent indigent defendants in criminal matters; and innocence training to law enforcement officers, law students, and other participants.

Figure 58 shows the recommended All Funds appropriation for each agency in Article IV, and **Figure 59** shows the recommended General Revenue Funds appropriation for each agency.

FIGURE 58
ARTICLE IV – JUDICIARY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Supreme Court of Texas	\$103.7	\$98.5	(\$5.2)	(5.0%)
Court of Criminal Appeals	\$39.9	\$40.7	\$0.9	2.2%
First Court of Appeals District, Houston	\$9.7	\$10.1	\$0.4	4.5%
Second Court of Appeals District, Fort Worth	\$7.6	\$7.9	\$0.4	4.9%
Third Court of Appeals District, Austin	\$6.4	\$6.7	\$0.4	5.7%
Fourth Court of Appeals District, San Antonio	\$7.6	\$7.9	\$0.3	4.5%
Fifth Court of Appeals District, Dallas	\$13.4	\$14.0	\$0.7	5.0%
Sixth Court of Appeals District, Texarkana	\$3.4	\$3.6	\$0.2	6.7%
Seventh Court of Appeals District, Amarillo	\$4.4	\$4.5	\$0.2	4.2%
Eighth Court of Appeals District, El Paso	\$3.4	\$3.6	\$0.2	5.6%
Ninth Court of Appeals District, Beaumont	\$4.4	\$4.5	\$0.1	3.4%
Tenth Court of Appeals District, Waco	\$3.6	\$3.7	\$0.2	4.3%
Eleventh Court of Appeals District, Eastland	\$3.5	\$3.7	\$0.3	7.3%
Twelfth Court of Appeals District, Tyler	\$3.5	\$3.7	\$0.2	5.6%
Thirteenth Court of Appeals District, Corpus Christi–Edinburg	\$6.4	\$6.7	\$0.3	5.1%
Fourteenth Court of Appeals District, Houston	\$10.1	\$10.6	\$0.4	4.3%
Office of Court Administration, Texas Judicial Council	\$251.3	\$234.0	(\$17.3)	(6.9%)
Office of Capital Writs	\$4.5	\$4.7	\$0.2	4.8%
Office of the State Prosecuting Attorney	\$0.9	\$1.0	\$0.1	9.4%
State Law Library	\$2.2	\$2.3	\$0.1	4.6%
State Commission on Judicial Conduct	\$2.4	\$2.7	\$0.2	8.6%
Judiciary Section, Comptroller's Department	\$370.9	\$381.0	\$10.1	2.7%
Subtotal, Judiciary	\$863.0	\$856.4	(\$6.6)	(0.8%)
Employee Benefits and Debt Service	\$155.2	\$270.9	\$115.8	74.6%
Less Interagency Contracts	\$25.7	\$22.2	(\$3.5)	(13.8%)
Total, All Functions	\$992.5	\$1,105.2	\$112.7	11.4%

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

SOURCE: Legislative Budget Board.

FIGURE 59
ARTICLE IV – JUDICIARY, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Supreme Court of Texas	\$42.1	\$43.3	\$1.2	2.8%
Court of Criminal Appeals	\$14.1	\$14.9	\$0.8	5.8%
First Court of Appeals District, Houston	\$9.0	\$9.5	\$0.5	5.0%
Second Court of Appeals District, Fort Worth	\$7.0	\$7.4	\$0.4	5.4%
Third Court of Appeals District, Austin	\$5.9	\$6.3	\$0.4	6.1%
Fourth Court of Appeals District, San Antonio	\$7.1	\$7.4	\$0.3	4.8%
Fifth Court of Appeals District, Dallas	\$12.4	\$13.0	\$0.7	5.3%
Sixth Court of Appeals District, Texarkana	\$3.2	\$3.4	\$0.2	6.9%
Seventh Court of Appeals District, Amarillo	\$4.1	\$4.3	\$0.2	4.5%
Eighth Court of Appeals District, El Paso	\$3.2	\$3.4	\$0.2	6.0%
Ninth Court of Appeals District, Beaumont	\$4.1	\$4.3	\$0.1	3.6%
Tenth Court of Appeals District, Waco	\$3.4	\$3.5	\$0.2	4.6%
Eleventh Court of Appeals District, Eastland	\$3.3	\$3.5	\$0.3	7.8%
Twelfth Court of Appeals District, Tyler	\$3.3	\$3.5	\$0.2	5.9%
Thirteenth Court of Appeals District, Corpus Christi–Edinburg	\$6.0	\$6.3	\$0.3	5.4%
Fourteenth Court of Appeals District, Houston	\$9.1	\$9.7	\$0.5	5.6%
Office of Court Administration, Texas Judicial Council	\$74.8	\$83.9	\$9.2	12.3%
Office of Capital Writs	\$0.0	\$0.1	\$0.1	N/A
Office of the State Prosecuting Attorney	\$0.9	\$1.0	\$0.1	9.8%
State Law Library	\$2.2	\$2.3	\$0.1	5.2%
State Commission on Judicial Conduct	\$2.4	\$2.7	\$0.2	8.6%
Judiciary Section, Comptroller’s Department	\$235.1	\$251.1	\$16.0	6.8%
Subtotal, Judiciary	\$452.6	\$484.7	\$32.1	7.1%
Employee Benefits and Debt Service	\$145.1	\$258.9	\$113.8	78.4%
Total, All Functions	\$597.7	\$743.6	\$145.9	24.4%

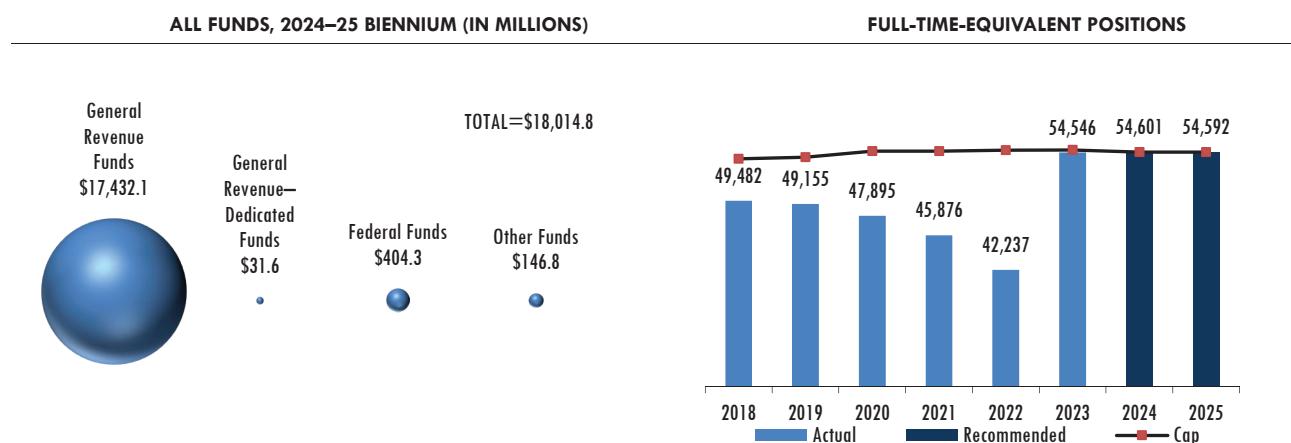
NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE

FIGURE 60
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE, BY METHOD OF FINANCE

(IN MILLIONS)				
METHOD OF FINANCE	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$11,887.7	\$17,432.1	\$5,544.4	46.6%
General Revenue–Dedicated Funds	\$54.1	\$31.6	(\$22.4)	(41.5%)
Federal Funds	\$1,474.7	\$404.3	(\$1,070.5)	(72.6%)
Other Funds	\$219.7	\$146.8	(\$72.8)	(33.2%)
Total, All Methods of Finance	\$13,636.2	\$18,014.8	\$4,378.6	32.1%



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 V

All Funds recommendations for Public Safety and Criminal Justice agencies for the 2024–25 biennium total \$18,014.8 million, which is an increase of \$4,378.6 million, or 32.1 percent, from the 2022–23 biennial expenditure levels. Recommended General Revenue Funds for the 2024–25 biennium total \$17,432.1 million, which is an increase of \$5,544.4 million, or 46.6 percent, from the 2022–23 biennium.

Significant increases are primarily for border security efforts at the Texas Military Department (TMD) and the Department of Public Safety (DPS), adding capacity at the local and state levels of the juvenile justice system, biennializing previous salary increases at the Texas Department of Criminal Justice (TDCJ) and the Texas Juvenile Justice Department (TJJJ), and raises for local adult and juvenile probation department employees, State and National Guard, and certain Correctional Managed Health Care staff. Recommendations also include a statewide pay increase.

In the 2024–25 recommendations, General Revenue Funds replace Federal Funds related to the COVID-19 pandemic relief provided in the previous biennium for public safety and public health salaries at TDCJ (\$761.4 million), DPS (\$138.1 million), TJJJ (\$16.3 million), and the Texas Alcoholic Beverage Commission (TABC) (\$6.4 million).

TJJJ, the Office of Independent Ombudsman, and the Texas Commission on Law Enforcement (TCOLE) are subject to Strategic Fiscal Review.

HIGHLIGHTS

- Funding recommendations for DPS total \$2,974.5 million in All Funds, which represents an All Funds increase of \$160.6 million, or 5.7 percent, attributable primarily to the biennialization of Operation Lone Star (OLS) 52-week surge costs (\$151.4 million), 41.0 full-time-equivalent (FTE) positions and crime laboratory equipment to reduce the forensic toxicology backlog (\$15.6 million), the reconfiguration and improvement of the Crime Laboratory in Austin (\$6.8 million), a Canine Kennel and Training Center in Williamson County (\$2.5 million), and onetime recruitment payments not to exceed \$5,000 for graduates of the agency’s training academy (\$1.5 million), offset by the discontinuation of onetime funding.
- Funding recommendations for TDCJ for the 2024–25 biennium total \$7,981.0 million in All Funds, which includes an All Funds increase of \$877.2 million or 12.3 percent. The increase is primarily the result of salary increases for state employees (\$674.8 million), additional funding for adult probation departments (\$112.6 million), additional funding for Correctional Managed Health Care salaries (\$56.7 million), funding for contracted per diem rate increases at privately operated facilities (\$48.7 million), body-worn cameras at 23 maximum security units (\$23.9 million), additional funding for data center services (\$20.5 million), and funding to align with July 2022 population projections (\$11.0 million).
- Funding recommendations for TJJD for the 2024–25 biennium total \$1,006.0 million in All Funds, which is an All Funds increase of \$361.5 million, or 56.1 percent. The All Funds increase is primarily attributable to funding for the construction of new facilities (\$200.0 million), salary increases and adjustments (\$76.5 million), changes to the methodology for funding local juvenile probation departments (\$60.4 million), and capacity increases for pre-adjudication and post-adjudication facilities (\$22.0 million).
- Total funding for TCOLE for the 2024–25 biennium remains at the same level as the previous biennium, \$16.2 million in All Funds, while General Revenue funding increased by \$6.0 million to \$14.8 million. Significant changes include the discontinuation of onetime funding for the purchase of the TCOLE Data Distribution System (\$3.6 million), which is offset by General Revenue Funds increases to the School Marshal Program (\$1.3 million and 2.0 FTE positions), Peer Network (\$1.2 million), Data Center Services funding (\$0.5 million), and salary increases (\$0.6 million). Recommendations also replace all funding from General Revenue–Dedicated Account No. 116, Law Enforcement Officer Standards and Education, with General Revenue Funds (\$5.9 million).
- Funding recommendations for TMD for the 2024–25 biennium total \$2,496.2 million in All Funds, which represents an All Funds increase of \$645.2 million, or 34.9 percent. The All Funds increase is due primarily to an increase in border security funding for OLS (\$613.0 million), an increase in Federal Funds primarily due to National Guard Operations and Maintenance funding (\$10.4 million), and state salary adjustments (\$5.6 million). Increases include \$73.0 million to raise the State Active Duty per diem rates. In the 2022–23 biennium, TMD was appropriated \$411.9 million in General Revenue Funds for border security purposes, which included \$22.3 million in supplemental appropriations for fiscal year 2021. TMD also received \$1,251.4 million in Other Funds for the Office of the Governor’s Disaster, Deficiency, and Emergency Grants. Recommendations for the 2024–25 biennium replace Other Funds with General Revenue Funds and provide \$2,265.5 million in General Revenue Funds for border security.
- Funding recommendations for TABC, the Texas Commission on Fire Protection, and the Texas Commission on Jail Standards closely maintain 2022–23 biennial levels.

Figure 61 shows the All Funds recommendations for each agency in Article V, and **Figure 62** shows the General Revenue Funds recommendations for each agency. Subsequent pages in this chapter contain more details about funding levels for some of the agencies in Article V.

**FIGURE 61
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE BY AGENCY, ALL FUNDS**

(IN MILLIONS) FUNCTION	ESTIMATED/BUDGETED 2023–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Alcoholic Beverage Commission	\$105.0	\$106.2	\$1.1	1.1%
Department of Criminal Justice	\$7,103.8	\$7,981.0	\$877.2	12.3%
Commission on Fire Protection	\$3.8	\$4.1	\$0.3	7.1%
Commission on Jail Standards	\$3.1	\$3.5	\$0.4	13.8%
Juvenile Justice Department	\$644.5	\$1,006.0	\$361.5	56.1%
Commission on Law Enforcement	\$16.1	\$16.2	\$0.0	0.3%
Texas Military Department	\$1,851.0	\$2,496.2	\$645.2	34.9%
Department of Public Safety	\$2,813.9	\$2,974.5	\$160.6	5.7%
Subtotal, Public Safety and Criminal Justice	\$12,541.2	\$14,587.7	\$2,046.4	16.3%
Employee Benefits and Debt Service	\$2,504.6	\$3,582.1	\$1,077.5	43.0%
Less Interagency Contracts	\$1,409.7	\$154.9	(\$1,254.8)	(89.0%)
Total, All Functions	\$13,636.2	\$18,014.8	\$4,378.6	32.1%

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.

**FIGURE 62
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE BY AGENCY, GENERAL REVENUE FUNDS**

(IN MILLIONS) FUNCTION	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Alcoholic Beverage Commission	\$97.3	\$105.2	\$7.9	8.1%
Department of Criminal Justice	\$6,117.1	\$7,814.5	\$1,697.3	27.7%
Commission on Fire Protection	\$3.6	\$3.8	\$0.3	7.3%
Commission on Jail Standards	\$3.1	\$3.5	\$0.4	13.8%
Juvenile Justice Department	\$583.1	\$966.4	\$383.3	65.7%
Commission on Law Enforcement	\$8.8	\$14.8	\$6.0	68.9%
Texas Military Department	\$456.6	\$2,339.1	\$1,882.5	412.3%
Department of Public Safety	\$2,425.1	\$2,750.0	\$324.9	13.4%
Subtotal, Public Safety and Criminal Justice	\$9,694.6	\$13,997.3	\$4,302.7	44.4%
Employee Benefits and Debt Service	\$2,193.1	\$3,434.8	\$1,241.7	56.6%
Total, All Functions	\$11,887.7	\$17,432.1	\$5,544.4	46.6%

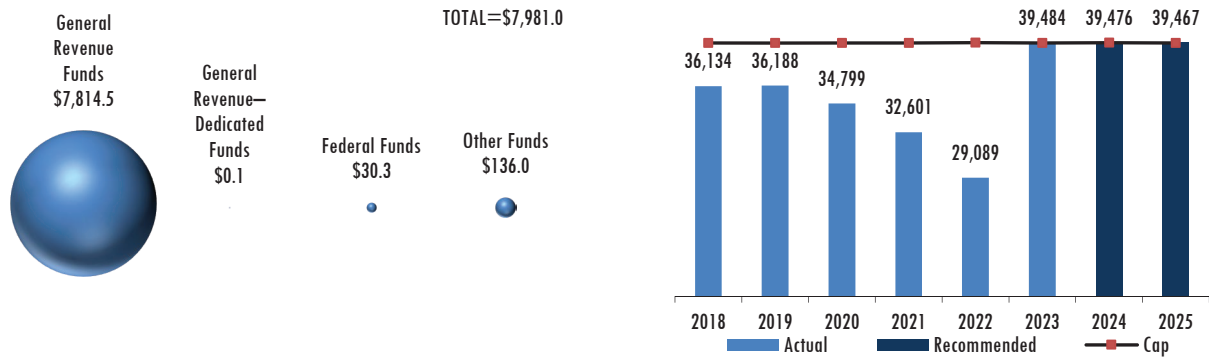
NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

TEXAS DEPARTMENT OF CRIMINAL JUSTICE

FIGURE 63
TEXAS DEPARTMENT OF CRIMINAL JUSTICE, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$6,117.1	\$7,814.5	\$1,697.3	27.7%
General Revenue–Dedicated Funds	\$0.1	\$0.1	\$0.0	0.0%
Federal Funds	\$809.1	\$30.3	(\$778.8)	(96.3%)
Other Funds	\$177.3	\$136.0	(\$41.3)	(23.3%)
Total, All Methods of Finance	\$7,103.8	\$7,981.0	\$877.2	12.3%



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 recommendations for the Texas Department of Criminal Justice (TDCJ) for the 2024–25 biennium total \$7,981.0 million in All Funds, which represents an All Funds increase of \$877.2 million or 12.3 percent from the 2022–23 biennium. The increase in recommended funding is the net result of several increases and decreases to various budget items, particularly related to salary increases. Funding for the Board of Pardons and Paroles, \$59.9 million, is included within the appropriations for TDCJ.

HIGHLIGHTS

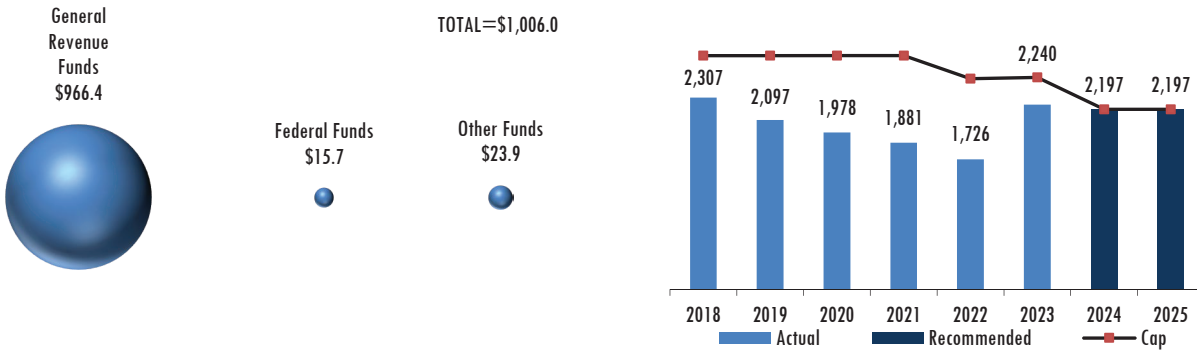
- Funding recommendations include \$6,638.6 million for the incarceration and treatment of adult offenders in state correctional institutions, which represents a net \$450.4 million increase from 2022–23 biennial levels and consists of the following:
 - \$374.8 million increase in General Revenue Funds to biennialize a 15.0 percent Correctional Officer pay raise provided in April 2022;
 - \$59.8 million increase in General Revenue Funds to provide salary increases for certain Correctional Managed Health Care employees and fund a new sheltered housing facility at the Montford Unit;
 - \$44.8 million increase in General Revenue Funds to resume services at the privately operated Bradshaw State Jail and to fund per diem rate increases at other contracted facilities;
 - \$23.9 million increase in General Revenue Funds to provide body-worn cameras for correctional officers at 23 maximum security facilities;

- \$20.5 million increase in General Revenue Funds to cover increased costs for data center services;
- \$7.0 million increase in General Revenue Funds to fund the requirements of House Bill 2352, Eighty-seventh Legislature, Regular Session, 2021, and to restore funds transferred from TDCJ to the Secretary of State;
- \$35.3 million decrease in General Revenue Funds to remove onetime funding for vehicles and the electronic health record project;
- \$24.2 million decrease in onetime funding from the Economic Stabilization Fund for the corrections information technology system project;
- \$17.3 million decrease in Federal Funds to account for an anticipated reduction in grant awards; and
- \$3.6 million decrease in Other Funds to adjust anticipated Interagency Contracts and Appropriated Receipts per agency projections.
- Funding recommendations include \$607.7 million for the supervision of adult offenders on community supervision or probation, which represents a \$118.8 million increase from 2022–23 levels and consists of the following:
 - \$64.8 million increase in General Revenue Funds to fund salary increases at local adult probation departments;
 - \$47.7 million increase in General Revenue Funds to fund basic operations, specialized programs for offender treatment, and enhanced offender supervision; and
 - \$6.3 million increase in General Revenue Funds to fund basic supervision at Legislative Budget Board (LBB) June projected levels and fiscal year 2023 cost per day.
- Funding recommendations include \$434.7 million for the Board of Pardons and Paroles, parole processing, parole supervision, and residential facilities, which represents a net \$8.0 million increase from 2022–23 levels and consists of the following:
 - \$4.7 million increase in General Revenue Funds to fund parole supervision at LBB June projections and fiscal year 2023 cost per day;
 - \$3.9 million increase in General Revenue Funds to fund per diem rate increases at contracted residential reentry centers and intermediate sanction facilities;
 - \$0.2 million increase in General Revenue Funds to fund the relocation of the Board of Pardons and Paroles' San Antonio Institutional Parole Office;
 - \$0.3 million decrease in General Revenue Funds to remove onetime vehicle funding from the Board of Pardons and Paroles; and
 - \$0.6 million decrease in Other Funds to adjust anticipated Interagency Contracts per agency projections.
- In addition to the amounts specified previously, recommendations include \$300.1 million in General Revenue Funds to provide a pay increase for state employees and \$761.4 million in General Revenue Funds to offset a corresponding \$761.4 million decrease in Federal Funds related to the COVID-19 pandemic relief.
- Projected incarceration populations are 132,040 and 132,875 for fiscal years 2024 and 2025, respectively. Projected felony direct community supervision populations are 137,499 and 141,136 for fiscal years 2024 and 2025, respectively. Projected parole populations are 83,405 and 84,225 for fiscal years 2024 and 2025, respectively.

TEXAS JUVENILE JUSTICE DEPARTMENT

FIGURE 64
TEXAS JUVENILE JUSTICE DEPARTMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$583.1	\$966.4	\$383.3	65.7%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$33.8	\$15.7	(\$18.1)	(53.6%)
Other Funds	\$27.5	\$23.9	(\$3.6)	(13.2%)
Total, All Methods of Finance	\$644.5	\$1,006.0	\$361.5	56.1%



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.

Recommended funding for the Texas Juvenile Justice Department (TJJD) for the 2024–25 biennium totals \$1,006.0 million in All Funds, which represents an All Funds increase of \$361.5 million, or 56.1 percent. Included in the All Funds increase is a General Revenue Funds increase of \$383.3 million, an estimated Federal Funds decrease of \$18.1 million, and an Other Funds decrease of \$3.6 million. The All Funds increase is attributable primarily to the recommended increase in General Revenue Funds for the construction of new facilities, salary increases, an adjustment to the funding methodology for local juvenile probation departments (JPD), and additional capacity at pre-adjudication and post-adjudication facilities. Federal Funds changes are due to method-of-finance adjustments and minor fluctuations in federal grant programs.

TJJD and the Office of Independent Ombudsman are subject to Strategic Fiscal Review.

HIGHLIGHTS

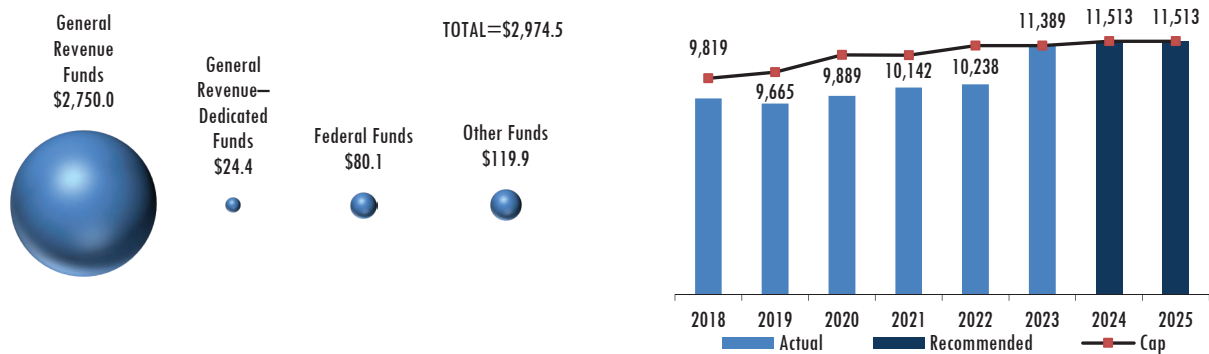
- Funding recommendations for the 2024–25 biennium include the following significant increases in General Revenue Funds:
 - \$200.0 million for the construction of new state facilities;
 - \$60.4 million to base the funding methodology for JPDs on individual referrals, as discussed on the following page;
 - \$51.4 million to provide salary increases for local JPD staff;
 - \$22.0 million to increase local capacity for pre-adjudication and post-adjudication;
 - \$8.1 million for juvenile justice population projections, discussed below; and
 - \$6.3 million to biennialize a 15.0 percent salary increase for TJJD direct care staff provided in July 2022.

- Other funding changes include a \$18.8 million increase in General Revenue Funds for state employee salary increases, a \$16.3 million increase in General Revenue Funds offset by a corresponding \$16.3 million decrease in Federal Funds related to the COVID-19 pandemic relief, a \$3.6 million decrease in Other Funds from JPD unexpended balance refunds and Interagency Contracts, and a \$1.8 million decrease in Federal Funds resulting from changes in federal grant program estimates.
- Recommendations are based upon projected state residential populations of 961 in fiscal year 2024 and 927 in fiscal year 2025. This population includes juveniles housed in state secure facilities at a cost per day (CPD) of \$201.12 in fiscal year 2024 and \$208.59 in fiscal year 2025, halfway houses at a CPD of \$283.64 in fiscal year 2024 and \$298.57 in fiscal year 2025, and contracted residential placements at a CPD of \$216.98 in fiscal year 2024 and \$218.13 in fiscal year 2025.
- Recommendations are based upon projected parole supervision populations of 256 in fiscal year 2024 and 239 in fiscal year 2025 at a CPD of \$30.47 and \$34.21 for fiscal years 2024 and 2025, respectively.
- Projected juvenile probation supervision populations are 18,272 in fiscal year 2024 and 17,916 in fiscal year 2025; these figures include juveniles supervised on adjudicated probation, deferred prosecution, and conditional release. However, recommendations base state funding for local JPDs on the number of individual referrals rather than the probation supervision population. Projected referrals to juvenile probation are 52,226 in fiscal year 2024 and 51,955 in fiscal year 2025, at a CPD of \$12.58 and \$15.45 for fiscal years 2024 and 2025, respectively.

DEPARTMENT OF PUBLIC SAFETY

FIGURE 65
DEPARTMENT OF PUBLIC SAFETY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$2,425.1	\$2,750.0	\$324.9	13.4%
General Revenue–Dedicated Funds	\$22.7	\$24.4	\$1.8	7.8%
Federal Funds	\$211.4	\$80.1	(\$131.2)	(62.1%)
Other Funds	\$154.7	\$119.9	(\$34.8)	(22.5%)
Total, All Methods of Finance	\$2,813.9	\$2,974.5	\$160.6	5.7%



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 recommendations for the Department of Public Safety for the 2024–25 biennium total \$2,974.5 million in All Funds, which is an increase of \$160.6 million, or 5.7 percent, from the 2022–23 biennium. General Revenue Funds total \$2,750.0 million, an increase of \$324.9 million, or 13.4 percent, primarily due to the biennialization of certain costs related to Operation Lone Star (OLS), a method-of-finance adjustment with Federal Funds related to the COVID-19 pandemic relief, and salary adjustments.

HIGHLIGHTS

- Funding recommendations include \$2,750.0 million in General Revenue Funds, a net increase of \$324.9 million. Significant increases include:
 - \$151.4 million to biennialize OLS 52-week surge costs;
 - \$116.4 million for salary adjustments;
 - \$15.6 million for 41.0 full-time-equivalent positions and crime laboratory equipment to reduce the forensic toxicology testing backlog;
 - \$6.8 million for the reconfiguration and improvement of the Crime Laboratory in Austin;
 - \$5.0 million to biennialize funding provided through budget execution for the expansion of the agency’s Fusion Center research and capabilities;
 - \$2.5 million for a Canine Kennel and Training Center in Williamson County; and
 - \$1.5 million to provide training academy graduates a onetime recruitment payment not to exceed \$5,000.

Other General Revenue Funds recommendations include a method-of-finance adjustment with Federal Funds related to the COVID-19 pandemic relief and the discontinuation of onetime funding.

- Funding recommendations include \$1,194.6 million in General Revenue Funds for OLS and other agency border security efforts, an increase of \$226.9 million, or 23.4 percent. This base funding includes \$942.6 million appropriated to the agency in prior legislative sessions and provides for salary and wages costs for 650 additional troopers, a 50-hour work week, human trafficking prevention, anti-gang activities, cameras, and equipment; \$75.5 million for salary adjustments; \$25.1 million reallocated to capital budget projects related to OLS; and \$151.4 million to biennialize OLS 52-week surge costs.
- Funding recommendations include a net decrease of \$131.2 million in Federal Funds due to a decrease of \$138.3 million in Federal Funds related to pandemic relief (with corresponding increases of \$138.1 million in General Revenue Funds and \$0.2 million in General Revenue–Dedicated Funds), offset by an increase of \$7.1 million from various federal grants anticipated to be collected in the 2024–25 biennium.
- Funding recommendations include a net decrease of \$34.8 million in Other Funds, including a decrease of \$22.0 million from the Economic Stabilization Fund (ESF) as a onetime appropriation to retrofit enforcement vehicles with bullet-resistant windshields, a decrease of \$8.8 million in General Obligation Bond Proceeds, a decrease of \$3.0 million in funding from the ESF related to onetime funding for the construction of a consolidated law enforcement center in Brazoria County, a decrease of \$1.3 million in Appropriated Receipts to represent anticipated reimbursements, and an increase of \$0.3 million in Interagency Contracts.

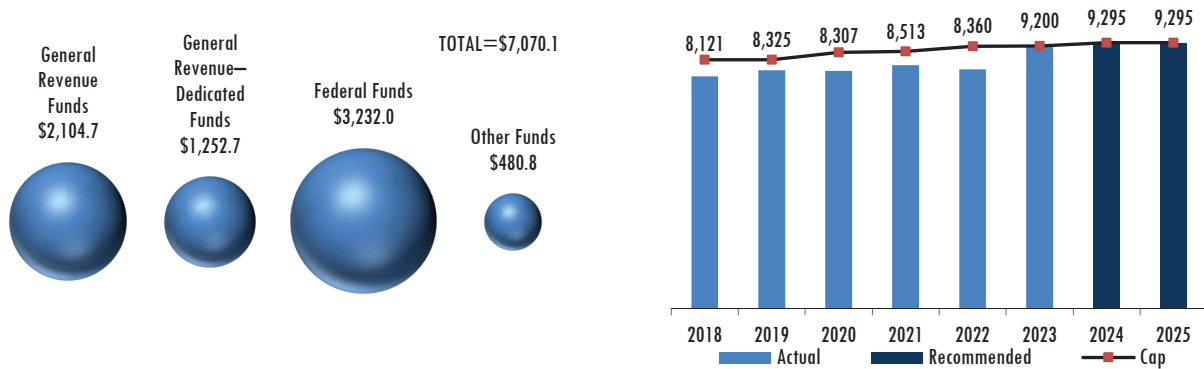
ARTICLE VI – NATURAL RESOURCES

FIGURE 66
ARTICLE VI NATURAL RESOURCES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$1,379.4	\$2,104.7	\$725.3	52.6%
General Revenue–Dedicated Funds	\$1,238.0	\$1,252.7	\$14.6	1.2%
Federal Funds	\$7,787.0	\$3,232.0	(\$4,555.0)	(58.5%)
Other Funds	\$836.3	\$480.8	(\$355.5)	(42.5%)
Total, All Methods of Finance	\$11,240.7	\$7,070.1	(\$4,170.6)	(37.1%)

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, 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 recommendations for the Natural Resources agencies total \$7.0 billion for the 2024–25 biennium, which is a decrease of \$4.2 billion, or 37.1 percent, from the 2022–23 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$3.4 billion, which is an increase of \$740.0 million, or 28.3 percent from the 2022–23 biennium. Federal Funds and Other Funds total \$3.7 billion, which is a decrease of \$4.9 billion, or 56.9 percent from the 2022–23 biennium. The Commission on Environmental Quality, Low-level Radioactive Waste Disposal Compact Commission, State Soil and Water Conservation Board, and the Water Development Board are subject to Strategic Fiscal Review.

HIGHLIGHTS

- Funding recommendations for the General Land Office and Veterans Land Board provide the following amounts:
 - \$1.2 billion in Federal Funds related to hurricanes, wildfires, floods, and other natural disasters across the state including \$294.3 for community housing projects and \$907.0 million for infrastructure and mitigation projects;
 - \$410.9 million in All Funds for the preservation and maintenance of the Alamo and Alamo Complex. This amount includes \$400.0 million in new General Revenue Funds appropriations to complete remaining Alamo Plan construction and restoration projects, including the Visitor Center and Museum and the Cenotaph; and

- \$658.2 million in All Funds for Coastal Management and Coastal Erosion Projects, including \$500.0 million in General Revenue Funds appropriations provided for grants and non-federal matching funds for activities carried out by the Gulf Coast Protection District and for studies and coastal projects conducted by the U.S. Army Corps of Engineers.
- Funding recommendations for the Water Development Board provide the following amounts:
 - \$97.1 million in Other Funds for development of the statewide flood plan and flood infrastructure funding including \$91.9 million in the Texas Infrastructure Resiliency Fund and \$5.2 million in the Flood Infrastructure Fund;
 - \$67.3 million in All Funds, an increase of \$7.3 million from the 2022–23 biennial spending level, for debt service on Economically Distressed Areas Program bonds; and
 - \$46.9 million in Other Funds from the Water Infrastructure Fund for debt service, which is expected to become self-supporting beginning in the 2024–25 biennium.
- Funding recommendations for the Parks and Wildlife Department provide the following amounts:
 - \$387.3 million in General Revenue Funds from Sporting Goods Sales Tax transfers, which is an increase of \$1.9 million from the 2022–23 biennium, for the operation and administration of state historic sites, state natural areas, and state parks;
 - \$134.3 million in Federal Funds, which is a decrease of \$235.2 million, or 63.7 percent from the 2022–23 biennium. The decrease does not represent a decrease in Federal Funds available to the agency. Instead, the decrease is related to the agency’s expenditure of federal grant allotments during the 2022–23 biennium from previous years, pandemic-related funding that is not anticipated to be available in the 2024–25 biennium, and the agency’s appropriation estimation practices. 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;
 - \$105.1 million in All Funds for deferred maintenance and capital construction projects, which is a decrease of \$47.1 million from the 2022–23 biennium due to changes in the needs reported by the agency; and
 - \$15.0 million in additional General Revenue Funds to support ongoing costs associated with the maintenance and repair of the Battleship Texas by the Battleship Texas Foundation in the 2024–25 biennium.
- Funding recommendations for the Soil and Water Conservation Board include the following amounts:
 - \$37.5 million in All Funds, which includes \$16.9 million in General Revenue Funds and \$20.6 million in Federal Funds, to address the structural repair, operation, and maintenance of earthen flood control dams;
 - \$16.8 million in General Revenue Funds, an increase of \$1.1 million from 2022–23 biennial spending levels, to enable the agency to provide funding to local Soil and Water Conservation Districts to address gaps between the districts’ needs and available local revenue; and
 - \$7.2 million in General Revenue Funds for carrizo cane eradication, which includes an increase of \$2.4 million from 2022–23 biennial spending levels.
- Funding recommendations for the Texas Commission on Environmental Quality (TCEQ) include the following amounts:
 - Funding recommendations provide authority for TCEQ to draw needed funds from General Revenue–Dedicated Account No. 5071 (Account No. 5071), Texas Emissions Reduction Plan, for the Texas Emissions Reduction Plan (TERP) program operations and maintenance costs at the beginning of the 2024–25 biennium due to the Texas Emissions Reduction Plan Trust (TERP Trust) fund being statutorily required to begin each biennium with a zero

balance. TCEQ is required to reimburse Account No. 5071 using TERP Trust fund revenues in an amount that equals whatever was expended for this purpose during the biennium; and

- \$10.5 million in General Revenue Funds, an increase of \$4.3 million, or 72.1 percent from 2022–23 biennial spending levels, for litigation expenses for the Rio Grande Compact Commission associated with Texas’ continuing lawsuit against New Mexico for the equitable distribution of water from the Rio Grande River under a compact agreed to by both states in 1938.
- Funding recommendations for the Texas Department of Agriculture include \$1.3 billion in All Funds for the Child and Adult Nutrition programs, a decrease of \$8.5 million from 2022–23 biennial spending levels. This amount includes a decrease of \$14.7 million related to COVID-19 pandemic-related funding partially offset by various other Federal Funds.
- Funding for the Railroad Commission of Texas includes the following amounts:
 - \$171.8 million in General Revenue Funds, a net increase of \$4.0 million from 2022–23 biennial spending levels. This increase represents the net effect of salary adjustments and Data Center Services obligations which were offset by reductions for onetime costs. These onetime costs include: (1) \$7.9 million in General Revenue Funds provided pursuant to Senate Bill 3, Eighty-seventh Legislature, Regular Session, 2021, for weatherization assessment reviews (\$0.8 million), operator plan reviews (\$0.9 million), vehicle purchases (\$3.5 million), and software development (\$2.8 million); and (2) \$0.4 million in General Revenue Funds provided pursuant to House Bill 1520, Eighty-seventh Legislature, Regular Session, 2021, for professional services (\$0.2 million) and a catastrophic weather event study (\$0.2 million);
 - \$148.9 million in General Revenue–Dedicated Account No. 5155, Oil and Gas Regulation and Cleanup, which is a decrease of \$1.5 million from 2022–23 biennial spending levels for onetime funding reductions; and
 - an estimated \$124.7 million in new Federal Funds in the 2024–25 biennium from the Infrastructure Investment and Jobs Act of 2021 for the plugging of orphaned oil and gas wells.

Figure 67 shows the All Funds recommended funding for each agency in Article VI, and **Figures 68** and **69** show the recommended funding for each agency in General Revenue Funds and General Revenue–Dedicated Funds, respectively. On the subsequent pages in this chapter are more details about funding levels for selected agencies in Article VI.

FIGURE 67
ARTICLE VI – NATURAL RESOURCES RECOMMENDATIONS BY AGENCY, ALL FUNDS

(IN MILLIONS) METHOD OF FINANCE	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Agriculture	\$1,689.4	\$1,574.8	(\$114.6)	(6.8%)
Animal Health Commission	\$32.5	\$32.8	\$0.3	1.0%
Commission on Environmental Quality	\$670.6	\$681.0	\$10.4	1.6%
General Land Office and Veterans Land Board	\$6,259.7	\$2,412.4	(\$3,847.2)	(61.5%)
Low-level Radioactive Waste Disposal Compact Commission	\$0.9	\$0.9	\$0.0	0.0%
Parks and Wildlife Department	\$1,186.0	\$914.1	(\$271.9)	(22.9%)
Railroad Commission	\$360.1	\$462.8	\$102.7	28.5%
Soil and Water Conservation Board	\$76.4	\$79.7	\$3.3	4.3%
Water Development Board	\$545.9	\$419.9	(\$126.0)	(23.1%)
Subtotal, Natural Resources	\$10,821.4	\$6,578.4	(\$4,243.0)	(39.2%)
Employee Benefits and Debt Service	\$452.9	\$512.6	\$59.7	13.2%
Less Interagency Contracts	\$33.5	\$20.9	(\$12.6)	(37.5%)
Total, All Functions	\$11,240.7	\$7,070.1	(\$4,170.6)	(37.1%)

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

FIGURE 68
ARTICLE VI – NATURAL RESOURCES BY AGENCY, GENERAL REVENUE FUNDS

(IN MILLIONS) METHOD OF FINANCE	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Agriculture	\$104.1	\$106.9	\$2.9	2.8%
Animal Health Commission	\$28.9	\$29.3	\$0.3	1.1%
Commission on Environmental Quality	\$39.2	\$45.8	\$6.6	16.9%
General Land Office and Veterans Land Board	\$230.4	\$925.6	\$695.2	301.7%
Low-level Radioactive Waste Disposal Compact Commission	\$0.0	\$0.0	\$0.0	N/A
Parks and Wildlife Department	\$456.1	\$466.8	\$10.7	2.4%
Railroad Commission	\$167.8	\$171.8	\$4.0	2.4%
Soil and Water Conservation Board	\$43.5	\$48.5	\$5.0	11.5%
Water Development Board	\$174.8	\$163.4	(\$11.4)	(6.5%)
Subtotal, Natural Resources	\$1,244.8	\$1,958.2	\$713.4	57.3%
Employee Benefits and Debt Service	\$134.6	\$146.5	\$11.9	8.8%
Total, All Functions	\$1,379.4	\$2,104.7	\$725.3	52.6%

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

FIGURE 69
ARTICLE VI – NATURAL RESOURCES BY AGENCY, GENERAL REVENUE–DEDICATED FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Agriculture	\$4.6	\$4.7	\$0.1	1.1%
Animal Health Commission	\$0.0	\$0.0	\$0.0	N/A
Commission on Environmental Quality	\$518.2	\$534.8	\$16.6	3.2%
General Land Office and Veterans Land Board	\$32.7	\$33.6	\$0.9	2.6%
Low-level Radioactive Waste Disposal Compact Commission	\$0.9	\$0.9	\$0.0	0.0%
Parks and Wildlife Department	\$311.2	\$302.0	(\$9.1)	(2.9%)
Railroad Commission	\$150.4	\$148.9	(\$1.5)	(1.0%)
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	\$1,018.0	\$1,024.8	\$6.8	0.7%
Employee Benefits and Debt Service	\$220.0	\$227.8	\$7.8	3.5%
Total, All Functions	\$1,238.0	\$1,252.7	\$14.6	1.2%

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

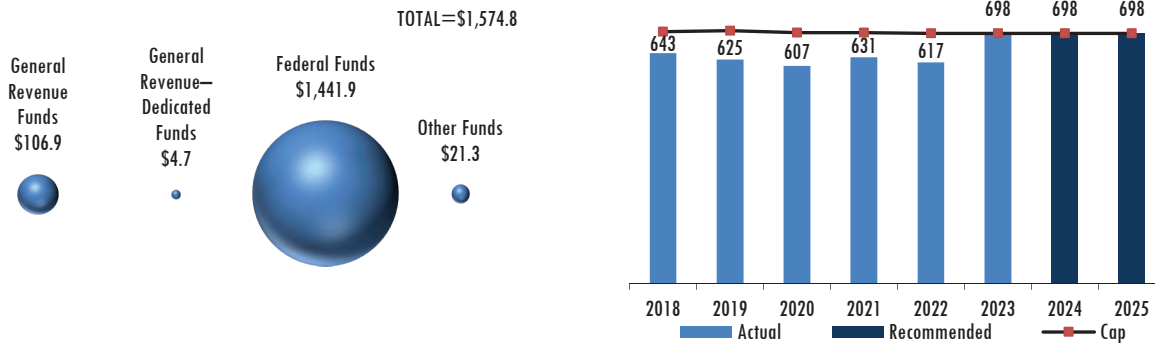
TEXAS DEPARTMENT OF AGRICULTURE

FIGURE 70
TEXAS DEPARTMENT OF AGRICULTURE, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$104.1	\$106.9	\$2.9	2.8%
General Revenue–Dedicated Funds	\$4.6	\$4.7	\$0.1	1.1%
Federal Funds	\$1,554.8	\$1,441.9	(\$112.9)	(7.3%)
Other Funds	\$25.9	\$21.3	(\$4.6)	(17.8%)
Total, All Methods of Finance	\$1,689.4	\$1,574.8	(\$114.6)	(6.8%)

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCES: Legislative Budget Board; State Auditor's Office.

Funding recommendations for the Texas Department of Agriculture for the 2024–25 biennium total \$1.6 billion in All Funds, which is a decrease of \$114.6 million, or 6.8 percent, from the 2022–23 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$111.6 million, an increase of \$2.9 million, or 2.7 percent. This increase is due primarily to the addition of \$4.2 million in General Revenue and General Revenue–Dedicated Funds for salary increases, which is offset by a decrease of \$0.7 million in General Revenue Funds for vehicle replacements, a decrease of \$0.3 million in the Trade Agricultural Inspection Grant Program in alignment with statutory requirements, and a decrease of \$0.2 million in funds appropriated for the Hemp Program that were expended for other purposes in the 2022–23 biennium. Federal Funds and Other Funds total \$1.5 billion, a decrease of \$117.5 million, or 7.4 percent. This decrease is due primarily to \$119.9 million in onetime Federal Funds provided through the Coronavirus Relief Fund during the 2022–23 biennium for pandemic-related aid that is not continued, a decrease of \$2.3 million from Texas Economic Development Fund No. 0183 due to lower anticipated revenue collections, and a decrease of \$2.3 million in Appropriated Receipts due to anticipated revenue reductions. This is offset by an increase of \$4.6 million in various other Federal Funds and \$2.5 million in Federal Funds and Other Funds for salary increases.

HIGHLIGHTS

- Funding recommendations include \$1.3 billion in All Funds for the Child and Adult Nutrition programs, a decrease of \$8.5 million from 2022–23 spending levels. This amount includes a decrease of \$14.7 million from the Coronavirus Relief Fund being offset by other projected Federal Funds anticipated to be available to the program for the 2024–25 biennium.
- Funding recommendations provide \$30.0 million in General Revenue Funds for the Texans Feeding Texans program, which is an All Funds decrease of \$99.9 million from 2022–23 spending levels. The decrease is due to \$100.0 million in Federal Funds related to the COVID-19 pandemic that are no longer expected to be available. Of this amount, \$5.0

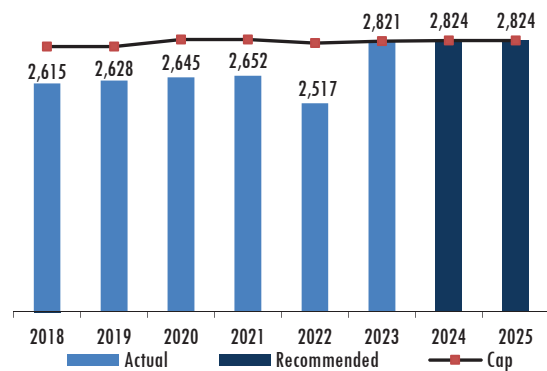
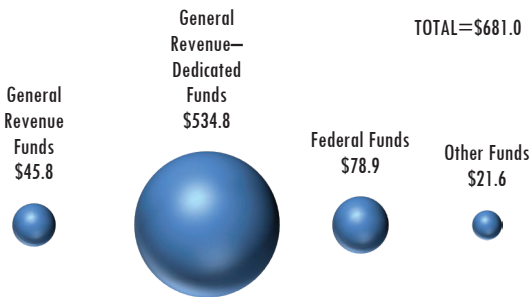
million was provided for Home Delivered Meals and \$95.0 million was provided for the Surplus Agricultural Products Grant Program through Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021. Recommendations for the 2024–25 biennium include \$19.9 million for Home Delivered Meals and \$10.1 million for the Surplus Agricultural Products Grant Program, which continues General Revenue Funds spending levels from the 2022–23 biennium.

- Funding recommendations include \$33.7 million in General Revenue Funds and General Revenue–Dedicated Funds, contingent on the agency generating sufficient revenue to cover the direct and indirect costs for its 12 cost-recovery programs. Other direct and indirect costs total \$8.7 million for the 2024–25 biennium.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

FIGURE 71
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$39.2	\$45.8	\$6.6	16.9%
General Revenue–Dedicated Funds	\$518.2	\$534.8	\$16.6	3.2%
Federal Funds	\$82.8	\$78.9	(\$3.9)	(4.7%)
Other Funds	\$30.5	\$21.6	(\$8.9)	(29.2%)
Total, All Methods of Finance	\$670.6	\$681.0	\$10.4	1.6%



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the Texas Commission on Environmental Quality (TCEQ) for the 2024–25 biennium total \$681.0 million in All Funds, which is an increase of \$10.4 million, or 1.6 percent, from the 2022–23 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$580.6 million, an increase of \$23.2 million, or 4.2 percent, primarily due to a salary increase for state employees, which was partially offset by the removal of onetime funding from the agency’s base. Federal Funds for the 2024–25 biennium total \$78.9 million, which is a net decrease of \$3.9 million, or 4.7 percent, from the 2022–23 biennium, primarily related to reductions in Non-Point Source Implementation grants, Leaking Underground Storage Tank Trust Funds grants from Hurricane Harvey, and a Lead Testing Drinking Water grant provided by the Environmental Protection Agency. Other Funds for the 2024–25 biennium total \$21.6 million, which is a net decrease of \$8.9 million, or 29.2 percent, from the 2022–23 biennium, primarily related to decreases in Interagency Contract funding for a Texas Water Development Board (TWDB) Drinking Water State Revolving Fund (DWSRF) grant, and in Appropriated Receipts due to the Comptroller’s determination that revenue collections for site remediations and cleanups required by law constitute new fees instead of being cost recovery reimbursements. TCEQ is subject to Strategic Fiscal Review.

HIGHLIGHTS

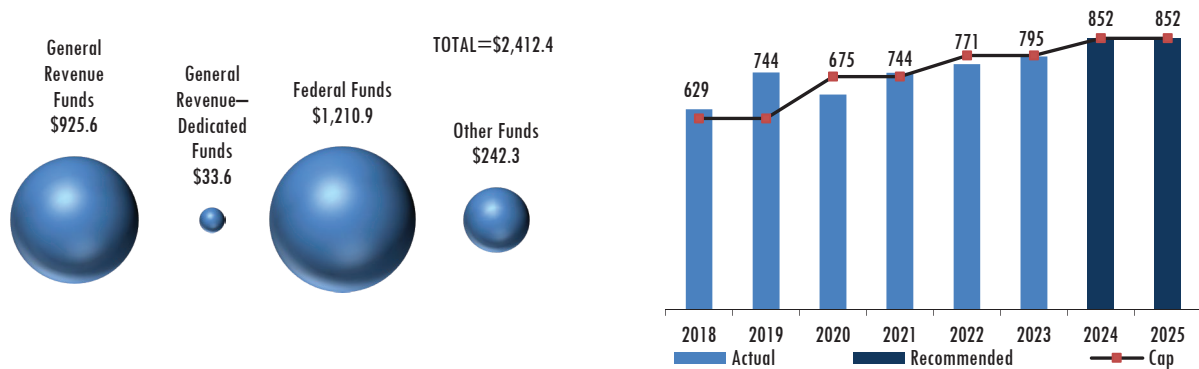
- Funding recommendations provide authority for TCEQ to draw needed funds from General Revenue–Dedicated Texas Emissions Reduction Plan Account No. 5071 (Account No. 5071) for the Texas Emissions Reduction Plan (TERP) program operations and maintenance costs at the beginning of the 2024–25 biennium due to the Texas Emissions Reduction Plan Trust (TERP Trust) fund being statutorily required to begin each biennium with a zero balance. TCEQ is required to reimburse Account No. 5071 using TERP Trust fund revenues in an amount that equals any expenditures for this purpose during the biennium.

- Funding recommendations provide a net increase of \$16.6 million in various General Revenue–Dedicated Funds across multiple programs, primarily including the following:
 - onetime cost decreases of \$0.9 million for safety upgrades for the Houston Regional Office; \$3.0 million for environmental remediation at a closed battery recycling facility due to the enactment of House Bill 2708, Eighty-seventh Legislature, Regular Session, 2021; \$4.1 million an Occupational Licensing and Integrated Database; \$2.0 million for remediation of the Donna Reservoir and Canal System Federal Superfund Site; \$0.1 million for furniture, equipment, computers and vehicles due to the implementation of Senate Bill 3, Eighty-seventh Legislature, Regular Session, 2021; \$0.1 million for State Implementation Plan Modeling; \$1.2 million for modernization of the Air and Water Monitoring Data Management System; and a decrease of \$0.9 million for fleet replacement not included in the agency’s base;
 - an increase of \$3.6 million for higher lease costs at 14 regional offices and one state laboratory; and
 - an increase of \$25.2 million to provide a salary increase in fiscal years 2024 and 2025 for state employees.
- Funding recommendations provide \$10.5 million in General Revenue Funds, an increase of \$4.3 million, or 72.1 percent from 2022–23 spending levels, for litigation expenses for the Rio Grande Compact Commission associated with Texas’ continuing lawsuit against New Mexico for the equitable distribution of water from the Rio Grande under a compact agreed to by both states in 1938. Recommendations include continuing funding initially provided to the agency in the 2022–23 biennium and increasing funding to biennialize appropriations provided in House Bill 2, Eighty-seventh Legislature, 2021, for the same purpose.
- Funding recommendations provide \$2.3 million in Other Funds from Appropriated Receipts, a \$5.0 million decrease, primarily due to the reclassification of revenue collections for site remediations and cleanups from cost recovery reimbursements to new fees collected and a decrease in the available disaster funds for the fire in the City of West and Hurricane Harvey.
- Funding recommendations provide a \$3.9 million decrease in Other Funds from interagency contracts primarily related to a decrease in the interagency contract TWDB for the DWSRF grant.

GENERAL LAND OFFICE AND VETERANS LAND BOARD

FIGURE 72
GENERAL LAND OFFICE AND VETERANS LAND BOARD, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$230.4	\$925.6	\$695.2	301.7%
General Revenue–Dedicated Funds	\$32.7	\$33.6	\$0.9	2.6%
Federal Funds	\$5,538.1	\$1,210.9	(\$4,327.2)	(78.1%)
Other Funds	\$458.5	\$242.3	(\$216.1)	(47.1%)
Total, All Methods of Finance	\$6,259.7	\$2,412.4	(\$3,847.2)	(61.5%)



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the General Land Office and Veterans Land Board for the 2024–25 biennium total \$2.4 billion in All Funds, a net decrease of \$3.8 billion, or 61.5 percent, from the 2022–23 biennium. General Revenue Funds total \$925.6 million, an increase of \$695.2 million, or 301.7 percent, from the 2022–23 biennium, to provide additional funding for the Alamo Complex, the Gulf Coast Protection District (GCPD), and salary adjustments. General Revenue–Dedicated Funds total \$33.6 million, an increase of \$0.9 million, or 2.6 percent, from the 2022–23 biennium, primarily for salary adjustments. Federal Funds total \$1.2 billion, a decrease of \$4.3 billion, or 78.1 percent, due to various disaster-related federal grants, primarily related to Hurricane Harvey, being spent down through the 2022–23 biennium. Other Funds total \$242.3 million, a decrease of \$216.1 million, or 47.1 percent, from the 2022–23 biennium, primarily because of anticipated decreases in funds that will be received, including reimbursements from programs such as the Gulf of Mexico Energy Security Act (GoMESA) due to project changes and completion.

HIGHLIGHTS

- Funding recommendations include \$1.2 billion in Federal Funds and 298.0 full-time-equivalent (FTE) positions for recovery related to hurricanes, wildfires, floods, and other natural disasters around the state. This amount constitutes a \$4.3 billion decrease from 2022–23 biennial spending levels, which largely reflects the spending down of these funds over time. In fiscal year 2024, the agency budgeted for 54.0 additional FTE positions primarily within the Disaster Recovery program to directly support disaster-related activities and grants within the Community Development Block Grant (CDBG) portfolio, including a new grant funding for Winter Storm Uri that totals \$43.6 million. Most of these positions represent the conversion of temporary or part-time staff to FTE positions, which the agency anticipates will result in contract savings. Federal Funds are allocated for the following:

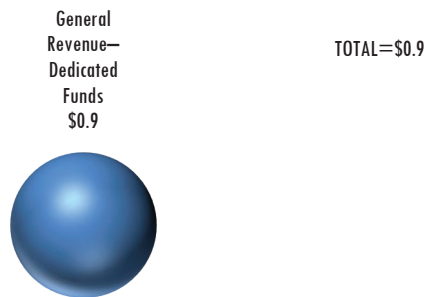
- housing – Funding recommendations total \$294.3 million in All Funds and 252.0 FTE positions, a decrease of \$2.2 billion in federal CDBG funding from the U.S. Department of Housing and Urban Development (HUD), for community housing projects; and
- infrastructure – Funding recommendations total \$907.0 million in Federal Funds and 46.0 FTE positions, a decrease of \$2.1 billion in federal CDBG funding from HUD, for infrastructure and mitigation projects.
- Funding recommendations include \$243.2 million in Other Funds, which is a net decrease of \$216.1 million from 2022–23 biennial spending levels. This change represents an anticipated \$168.3 million decrease in Appropriated Receipts resulting from decreases in reimbursements from GoMESA, Natural Resource Damage Assessment, National Fish and Wildlife Foundation, and the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE Act); changes in legal costs associated with defense and prosecution of Permanent School Fund lands; and the conclusion of the Houston Extra Bedroom Program, and the conclusion of certain Alamo Complex commercial leases. Additionally, \$50.0 million in supplemental appropriations received in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, from the Economic Stabilization Fund (ESF) for the operation and maintenance of the Alamo complex are not anticipated to continue in the 2024–25 biennium.
- Funding recommendations include \$410.9 million in All Funds for the preservation and maintenance of the Alamo and Alamo Complex, which is a net increase of \$347.5 million from the 2022–23 biennium. This includes:
 - an increase of \$400.0 million in General Revenue appropriations to complete remaining Alamo Plan construction and restoration projects, including the Visitor Center and Museum and the Cenotaph;
 - a decrease of \$50.0 million in supplemental appropriations received in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, from the ESF that are not anticipated to be available for the 2024–25 biennium;
 - a decrease of \$1.5 million in General Revenue–Dedicated Alamo Complex Account No. 5152 due to anticipated decreases in revenue collections resulting from construction and renovation activity scheduled in fiscal year 2024; and
 - a decrease of \$1.0 million in Appropriated Receipts due to the discontinuation of commercial leases for the Crockett Buildings.
- Funding recommendations for Coastal Management and Coastal Erosion Projects include \$658.2 million in All Funds, an increase of \$76.7 million from 2022–23 biennial spending levels, due to additional General Revenue appropriations for the GCPD offsetting decreases from various General Revenue–Dedicated Funds and Federal Funds not anticipated to be available in the 2024–25 biennium and from anticipated decreases in Appropriated Receipts collections. Funding recommendations include \$500.0 million in General Revenue Funds for grants and non-federal matching funds for activities carried out by the GCPD, and for studies and coastal projects conducted by the U.S. Army Corps of Engineers in the 2024–25 biennium. In addition, recommendations include unexpended balance authority for General Revenue Funds appropriated by the Eighty-seventh Legislature, Regular Session, 2021, for the establishment of the GCPD.

TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION

FIGURE 73
TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A
General Revenue–Dedicated Funds	\$0.9	\$0.9	\$0.0	0.0%
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	\$0.9	\$0.9	\$0.0	0.0%

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the Texas Low-level Radioactive Waste Disposal Compact Commission (LLRWDC) total \$0.9 million in General Revenue–Dedicated Funds, Account No. 5151, Texas Low-Level Radioactive Waste Disposal Compact Commission (Account No. 5151), which maintains 2022–23 biennial funding levels. The LLRWDC is subject to Strategic Fiscal Review.

LLRWDC is an interstate compact approved by the Texas Legislature in fiscal year 1993 and subsequently ratified by the U.S. Congress during calendar year 1998. In accordance with the terms of the compact, Texas is the host state for a disposal site for compact participants, which include Texas and Vermont.

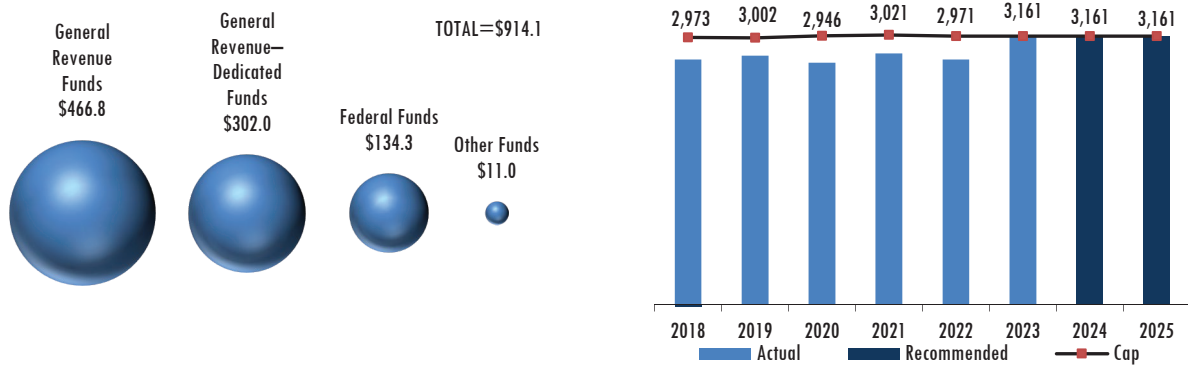
HIGHLIGHTS

- Recommended funding totaling \$0.9 million from Account No. 5151 ensures compliance with the terms of the compact by administratively supporting the functions of the LLRWDC. These terms include estimating the quantity of waste generated within the compact member states for disposal, and then assuring that the annual volume limits and the proportional disposal volume limits stated in the agreement are met. As part of its function, LLRWDC is authorized to grant permission to in-compact generators to export waste to disposal sites outside the compact and to enter into agreements that would enable out-of-compact generators to dispose of waste in the Texas compact for management or disposal in accordance with prescribed parameters. The LLRWDC is not authorized to employ full-time-equivalent positions, and it uses contractors to perform necessary administrative duties.
- Approximately \$66.7 million in fees have been remitted to the state for waste disposed by Texas Compact generators and nonparty generators since April 2012.
- The agency expects that 90.0 percent of the volumetric capacity and 79.0 percent of the activity capacity in the compact waste disposal facility will remain available by the end of fiscal year 2025.

TEXAS PARKS AND WILDLIFE DEPARTMENT

FIGURE 74
TEXAS PARKS AND WILDLIFE DEPARTMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$456.1	\$466.8	\$10.7	2.4%
General Revenue–Dedicated Funds	\$311.2	\$302.0	(\$9.1)	(2.9%)
Federal Funds	\$369.5	\$134.3	(\$235.2)	(63.7%)
Other Funds	\$49.3	\$11.0	(\$38.3)	(77.7%)
Total, All Methods of Finance	\$1,186.0	\$914.1	(\$271.9)	(22.9%)



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCES: Legislative Budget Board; State Auditor's Office.

Funding recommendations for the Texas Parks and Wildlife Department (TPWD) for the 2024–25 biennium total \$914.1 million in All Funds. This amount is a decrease of \$271.9 million, or 22.9 percent, from the 2022–23 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$768.8 million, an increase of \$1.6 million, or 0.2 percent, primarily due to anticipated increases in Sporting Goods Sales Tax (SGST) revenue, salary adjustments, and appropriations for the Battleship Texas, which offset reductions in funding for onetime items. Funding recommendations of Federal Funds and Other Funds total \$145.3 million, a decrease of \$273.5 million, or 65.3 percent, primarily due to decreases in Federal Funds and Other Funds based on the agency's methodology of requesting only confirmed or ongoing amounts, decreases in Other Funds due to anticipated reductions in donations and project reimbursements, and debt service payments ending.

HIGHLIGHTS

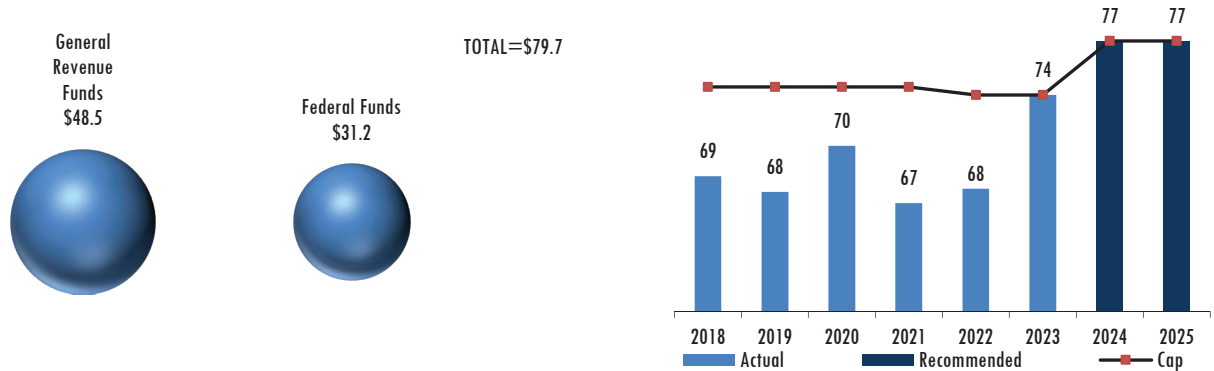
- Recommended funding includes \$387.3 million in General Revenue Funds from SGST transfers, which is an increase of \$1.9 million from the 2022–23 biennium. In addition to the amounts in the agency's bill pattern, \$77.1 million from SGST is utilized for payroll-related benefits and debt service payments.
- SGST direct appropriations to the agency are transferred to the following General Revenue–Dedicated Funds accounts:
 - Account No. 64, State Parks – \$223.7 million, an increase of \$6.4 million, for state parks operations and minor repairs;
 - Account No. 467, Texas Recreation and Parks – \$27.4 million, a decrease of \$1.0 million, for grants to counties and municipalities with populations of less than 500,000 for local parks and other outdoor recreation opportunities;

- Account No. 5150, Large County and Municipality Recreation and Parks – \$20.7 million, an increase of \$8.7 million, for grants to counties and municipalities with populations of 500,000 or more for local parks and other outdoor recreation opportunities; and
- Account No. 5004, Parks and Wildlife Conservation and Capital – \$115.5 million, a decrease of \$12.2 million, for developing and improving land and facilities.
- Funding recommendations include \$212.1 million in All Funds, which is an increase of \$8.9 million, or 4.4 percent, from the 2022–23 biennial spending level, for state park operations, minor repairs, and support. These funds will be used to operate the 90 state parks, historic sites, and natural areas anticipated to be open to the public during the 2024–25 biennium. The increase primarily reflects ongoing changes in operating costs, as well as costs associated with the anticipated opening of a new park, Palo Pinto Mountain State Park.
- Funding recommendations include \$163.1 million in All Funds for wildlife and fisheries conservation, management, and research operations. This is a decrease of \$71.5 million from 2022–23 biennial spending levels, primarily due to agency estimated decreases in Federal Funds and Appropriated Receipts that are not anticipated to be available in the 2024–25 biennium due to the agency’s methodology in estimating available future funds from these sources.
- Funding recommendations include \$134.3 million in Federal Funds, which is a decrease of \$235.2 million, or 63.7 percent, from the 2022–23 biennium. This decrease does not represent a change or reduction in Federal Funds available to the agency. Instead, the decrease is related to the agency’s expenditure of federal grant allotments during the 2022–23 biennium from previous years; funding related to the COVID-19 pandemic that is not anticipated to continue in the 2024–25 biennium; and the agency’s methodology in estimating future Federal Funds. TPWD 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 recommendations include \$105.1 million in All Funds, a decrease of \$47.1 million from the 2022–23 biennium, for deferred maintenance and capital construction project funding. The decrease is attributable to progress made on existing projects, as well as overall changes in reported agency needs and priorities.
- Recommended funding includes an increase of \$15.0 million in General Revenue Funds to support ongoing costs associated with the maintenance and repair of the Battleship Texas by the Battleship Texas Foundation in the 2024–25 biennium.
- Funding recommendations include \$11.0 million in various Other Funds, a decrease of \$38.3 million, or 77.7 percent, from the 2022–23 biennium, based on agency estimates. This amount includes continuing \$9.0 million in donations and project reimbursements, \$1.5 million in license plate revenues, and \$0.5 million in interagency contracts. It also includes decreases of \$30.2 million in donations and project reimbursements, \$5.5 million in grants from the Office of the Governor for Operation Lone Star, \$1.7 million in General Obligation Bond Proceeds due to the ending of certain debt service payments, \$0.5 million in Interagency Contracts due to contracts with various state agencies ending or changing, and \$0.4 million in anticipated license plate revenues.

TEXAS STATE SOIL AND WATER CONSERVATION BOARD

FIGURE 75
TEXAS STATE SOIL AND WATER CONSERVATION BOARD, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$43.5	\$48.5	\$5.0	11.5%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$30.2	\$31.2	\$1.0	3.2%
Other Funds	\$2.7	\$0.0	(\$2.7)	(100.0%)
Total, All Methods of Finance	\$76.4	\$79.7	\$3.3	4.3%



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCES: Legislative Budget Board; State Auditor's Office.

Funding recommendations for the Texas State Soil and Water Conservation Board (TSSWCB) for the 2024–25 biennium total \$79.7 million in All Funds, an increase of \$3.3 million, or 4.3 percent, from the 2022–23 biennium. General Revenue Funds total \$48.5 million, an increase of \$5.0 million from 2022–23 biennial spending levels. Federal Funds total \$31.2 million, an increase of \$1.0 million, or 3.2 percent. The TSSWCB is subject to Strategic Fiscal Review.

HIGHLIGHTS

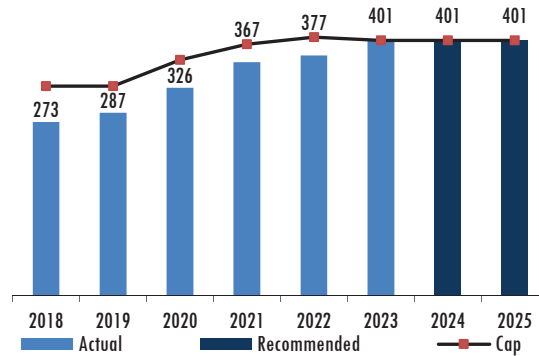
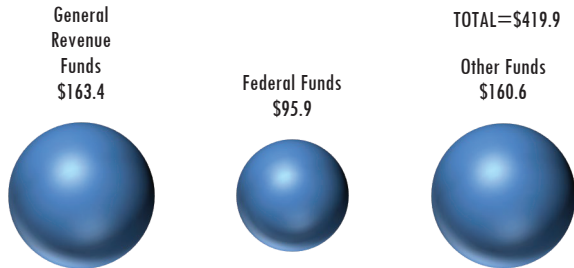
- Funding recommendations include \$37.5 million in All Funds, which includes \$16.9 million in General Revenue Funds and \$20.6 million in Federal Funds, to address the structural repair, operation, and maintenance of earthen flood-control dams. This continues the 2022–23 General Revenue funding level and includes an anticipated reduction of \$0.3 million in Federal Funds.
- Funding recommendations include \$16.8 million in General Revenue Funds, an increase of \$1.1 million from 2022–23 spending levels, to allow the agency to provide funding to local Soil and Water Conservation Districts to address gaps between the districts' needs and available local revenue. This funding is anticipated to allow the generation of an additional \$1.0 million in local funds for the 2024–25 biennium to be spent at the local level.
- Funding recommendations include \$7.2 million in General Revenue Funds for carrizo cane eradication, which includes an increase of \$2.4 million from 2022–23 spending levels. This provides an increase of \$4.3 million in General Revenue funding, which includes \$4.0 million to offset and biennialize onetime deficiency grant funding of \$1.9 million (Other Funds) provided by the Office of the Governor in 2022–23, and \$0.3 million to provide 2.0 additional full-time-equivalent positions to manage and administer the additional program funding.

TEXAS WATER DEVELOPMENT BOARD

FIGURE 76
TEXAS WATER DEVELOPMENT BOARD, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$174.8	\$163.4	(\$11.4)	(6.5%)
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$95.3	\$95.9	\$0.6	0.6%
Other Funds	\$275.7	\$160.6	(\$115.2)	(41.8%)
Total, All Methods of Finance	\$545.9	\$419.9	(\$126.0)	(23.1%)

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)	FULL-TIME-EQUIVALENT POSITIONS
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NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the Texas Water Development Board (TWDB) for the 2024–25 biennium total \$419.9 million in All Funds, a decrease of \$126.0 million, or 23.1 percent, from the 2022–23 biennium. General Revenue Funds total \$163.4 million, a decrease of \$11.4 million, or 6.5 percent, primarily due to onetime funding for the removal of siltation from Lake Houston. Federal Funds total \$95.9 million, an increase of \$0.6 million, or 0.6 percent. Other Funds total \$160.6 million, a decrease of \$115.2 million, or 41.8 percent, primarily due to decreasing Water Infrastructure Fund (WIF) debt service requirements and decreasing Texas Infrastructure Resiliency Fund (TIRF) available balances for flood mapping and planning activities. TWDB is subject to Strategic Fiscal Review.

HIGHLIGHTS

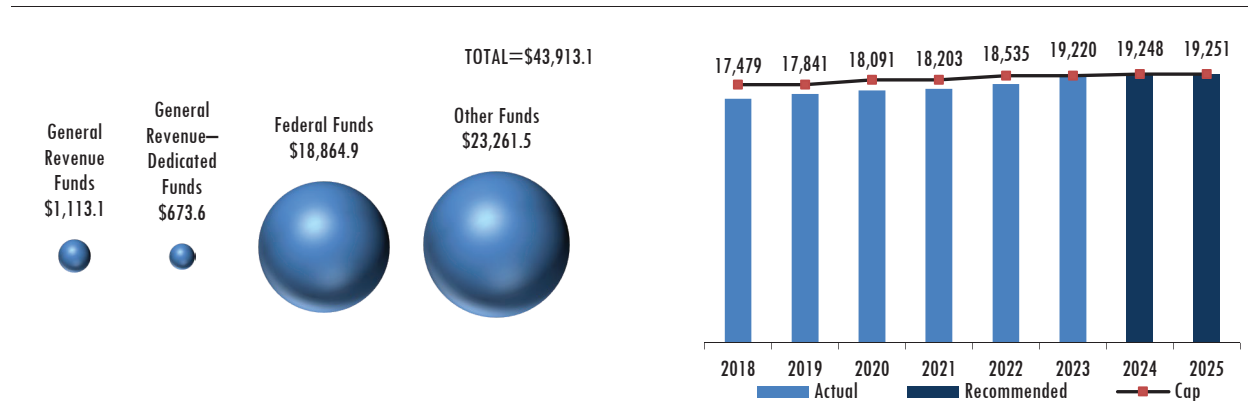
- Funding recommendations include \$97.1 million in Other Funds, which includes \$91.9 million in the TIRF and \$5.2 million in the Flood Infrastructure Fund (FIF), for development of the statewide flood plan and flood infrastructure funding. This is a net decrease of \$34.3 million in Other Funds from the 2022–23 biennial spending levels, which includes a decrease of \$34.4 million, or 27.2 percent, in TIRF, offset by an increase of \$0.1 million, or 2.4 percent, in FIF.
- Funding recommendations include \$46.9 million in Other Fund WIF Account No. 302 for WIF debt service, which is expected to become self-supporting beginning in the 2024–25 biennium. Accordingly, General Revenue no longer will be required to meet debt service requirements. This is a net decrease of \$85.5 million in All Funds from the 2022–23 biennial spending level, which includes a decrease of \$82.4 million, or 63.7 percent in the WIF, and a decrease of \$3.1 million, or 100.0 percent, in General Revenue Funds.

- Funding recommendations include \$67.3 million in All Funds; \$59.0 million in General Revenue Funds, and \$8.3 million in Economically Distressed Areas Bond Payment (EDABP) Account No. 357 funds for debt service on Economically Distressed Areas Program (EDAP) bonds. This is a net increase of \$7.3 million in All Funds from the 2022–23 biennial spending level, which includes an increase of \$3.5 million, or 6.3 percent, in General Revenue Funds, an increase of \$4.8 million, or 137.5 percent in EDABP Account No. 357 funds due to an estimated increase in bond repayment revenues, offset by a decrease of \$1.0 million, or 100.0 percent, in Appropriated Receipts due to the discontinuation of Texas Water Resources Finance Authority proceeds (which are received as Appropriated Receipts) being utilized for EDAP debt service.
- Funding recommendations include \$5.7 million in All Funds, \$5.2 million in General Revenue Funds, and \$0.5 million in Other Fund Water Assistance Fund (WAF) Account No. 480 funds, for grants provided to regional water planning groups. This maintains \$5.7 million in All Funds from the 2022–23 biennial spending level, with a method-of-finance swap that includes an increase of \$2.1 million in General Revenue Funds to offset a decrease of \$2.1 million in WAF Account No. 480 funds due to decreasing available WAF balances.
- Funding recommendations include \$7.6 million in General Revenue Funds and capital budget authority for Shared Technology Services, which is an increase in authority and funding from the 2022–23 biennial spending level of \$3.2 million, or 42.1 percent, in General Revenue Funds.
- Funding recommendations provide a net decrease of \$18.8 million in General Revenue Funds for water project funding. This includes an increase of \$31.2 million for three water projects in the 2024–25 biennium, which is offset by a decrease of \$50.0 million for the removal of accumulated siltation and sediment deposits throughout the San Jacinto River and Lake Houston in fiscal year 2022. Two new flood mitigation projects totaling \$28.0 million include \$10.0 million for the Lower Clear Creek Watershed and \$18.0 million for the Halls Bayou Watershed. The third project includes \$3.2 million for a wastewater treatment facility project in the City of Columbus.

ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT

FIGURE 77
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$508.1	\$1,113.1	\$605.0	119.1%
General Revenue–Dedicated Funds	\$677.4	\$673.6	(\$3.8)	(0.6%)
Federal Funds	\$22,360.1	\$18,864.9	(\$3,495.2)	(15.6%)
Other Funds	\$22,278.4	\$23,261.5	\$983.1	4.4%
Total, All Methods of Finance	\$45,824.0	\$43,913.1	(\$1,911.0)	(4.2%)



NOTES:

- (1) Excludes Interagency Contracts.
 - (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, 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 recommendations for the Business and Economic Development agencies total \$43.9 billion for the 2024–25 biennium, a decrease of \$1.9 billion, or 4.2 percent, from the 2022–23 biennium. General Revenue Funds total \$1.1 billion, an increase of \$605.0 million, or 119.1 percent, from the 2022–23 biennium.

HIGHLIGHTS

- Funding recommendations for the Texas Department of Transportation represent an increase of \$3.9 billion in All Funds from the 2022–23 biennium, including:
 - an increase of \$0.6 billion in General Revenue Funds for onetime maritime port capital improvement projects and capitalizing the Ship Channel Improvement Revolving Fund; and
 - an increase of \$3.2 billion in All Funds for highway planning and design, right-of-way acquisition, and construction and maintenance, including increases of \$2.5 billion in Federal Funds and \$0.7 billion in Other Funds due primarily to estimated increases in State Highway Fund revenue sources.
- Funding recommendations for the Texas Department of Motor Vehicles include an increase of \$31.3 million in All Funds from the 2022–23 biennium, including:
 - an increase of \$14.3 million in General Revenue Funds to align funding for the Motor Vehicle Crime Prevention Authority (MVCPA) with the estimated statutory MVCPA Fee revenue allocation for the 2024–25 biennium; and

- a net increase of \$9.2 million across all department programs, including a decrease of \$5.5 million in General Revenue Funds from onetime information technology project funding carried forward from the 2020–21 biennium, a net decrease of \$0.6 million in Federal Funds for motor carrier services and technology projects, and a net increase of \$15.3 million in Other Funds from the Texas Department of Motor Vehicles Fund due primarily to increases in vehicle registration and titling program costs and agencywide information technology support.
- Funding recommendations for the Texas Department of Housing and Community Affairs reflect a net decrease of \$1.7 billion in All Funds, which includes: a decrease of \$1.8 billion in onetime Federal Funds related to the COVID-19 pandemic consisting primarily of funding for Emergency Rental Assistance to be expended in the 2022–23 biennium; and an anticipated increase of \$60.7 million in non-pandemic-related Federal Funds for the HOME Investment Partnerships program and the Housing Trust Fund. See the Texas Department of Housing and Community Affairs section for additional details.
- Funding for the Texas Workforce Commission includes a net decrease in All Funds of \$4.2 billion, primarily due to the decrease of onetime Federal Funds awards related to pandemic relief to be expended in the 2022–23 biennium. See the Texas Workforce Commission section for additional details.
- Funding for the Texas Lottery Commission includes an increase in All Funds of \$3.6 million for a general state employee salary increase.

Figure 78 shows the All Funds appropriation for each agency in Article VII, and Figure 79 shows the General Revenue Funds appropriation for each agency. Subsequent pages in this chapter contain more details about funding levels for some of the agencies in Article VII.

FIGURE 78
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Housing and Community Affairs	\$3,081.6	\$1,348.3	(\$1,733.3)	(56.2%)
Texas Lottery Commission	\$634.6	\$637.4	\$2.8	0.4%
Department of Motor Vehicles	\$345.1	\$376.4	\$31.3	9.1%
Department of Transportation	\$31,682.7	\$35,564.3	\$3,881.6	12.3%
Texas Workforce Commission	\$9,282.6	\$5,128.0	(\$4,154.6)	(44.8%)
Reimbursements to the Unemployment Compensation Benefit Account	\$47.3	\$41.9	(\$5.5)	(11.5%)
Subtotal, Business and Economic Development	\$45,073.8	\$43,096.2	(\$1,977.5)	(4.4%)
Retirement and Group Insurance	\$767.2	\$816.7	\$49.5	6.5%
Social Security and Benefits Replacement Pay	\$167.1	\$182.7	\$15.6	9.4%
Bond Debt Service Payments	\$20.2	\$16.2	(\$3.9)	(19.5%)
Lease Payments	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Employee Benefits and Debt Service	\$954.5	\$1,015.7	\$61.2	6.4%
Less Interagency Contracts	\$204.2	\$198.9	(\$5.4)	(2.6%)
Total, All Functions	\$45,824.0	\$43,913.1	(\$1,911.0)	(4.2%)

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

FIGURE 79
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Housing and Community Affairs	\$26.0	\$27.7	\$1.7	6.7%
Texas Lottery Commission	\$4.8	\$5.1	\$0.3	5.5%
Department of Motor Vehicles	\$35.4	\$44.3	\$8.8	25.0%
Department of Transportation	\$15.4	\$564.6	\$549.2	3,573.7%
Texas Workforce Commission	\$378.9	\$424.9	\$46.0	12.1%
Reimbursements to the Unemployment Compensation Benefit Account	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Business and Economic Development	\$460.5	\$1,066.5	\$606.0	131.6%
Retirement and Group Insurance	\$21.4	\$23.3	\$1.9	9.1%
Social Security and Benefit Replacement Pay	\$6.1	\$7.0	\$0.9	15.0%
Bond Debt Service Payments	\$20.2	\$16.2	(\$3.9)	(19.5%)
Lease Payments	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Employee Benefits and Debt Service	\$47.6	\$46.5	(\$1.1)	(2.3%)
Total, All Functions	\$508.1	\$1,113.1	\$605.0	119.1%

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

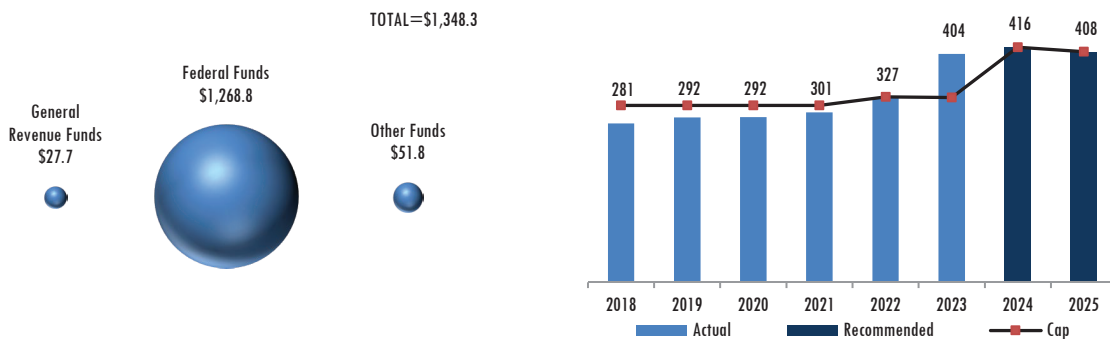
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

FIGURE 80
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$26.0	\$27.7	\$1.7	6.7%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$3,012.7	\$1,268.8	(\$1,743.9)	(57.9%)
Other Funds	\$42.9	\$51.8	\$8.9	20.7%
Total, All Methods of Finance	\$3,081.6	\$1,348.3	(\$1,733.3)	(56.2%)

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
 SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the Texas Department of Housing and Community Affairs for the 2024–25 biennium total \$1.3 billion in All Funds, a decrease of \$1.7 billion from the 2022–23 biennium.

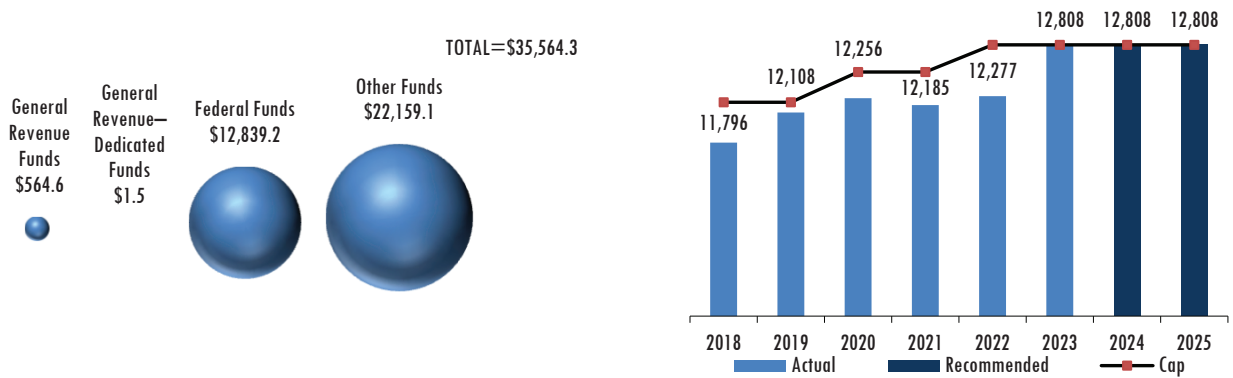
HIGHLIGHTS

- Funding recommendations include a net decrease of \$1.7 billion in Federal Funds, primarily due to the closing out of Federal Funds related to the COVID-19 pandemic. The closeout of pandemic-related Federal Funds totals a decrease of \$1.8 billion. This decrease is due primarily to a decrease of \$1.5 billion in Emergency Rental Assistance, which assists eligible households at or less than 80.0 percent of area median income with rental and utility assistance, and also includes a decrease of \$174.2 million in Low Income Home Energy Assistance, which assists low-income households in meeting their immediate energy needs and encourages consumers to control energy costs through energy education. The remaining \$80.0 million in pandemic-related Federal Funds consists of four Community Based Program Funds.
- Funding recommendations include \$535.8 million in pandemic-related Federal Funds. This amount includes: \$369.0 million in Homeowners Assistance Funds, which helps prevent homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners experiencing financial hardship; and \$55.2 million in the HOME Investment Partnerships program, which provides for increasing the supply of affordable housing, particularly rental housing, for low-income individuals. The remaining \$111.6 million consists of Affordable Housing Program Funds and Community Based Program Funds.
- Funding recommendations include an increase of \$60.7 million in Federal Funds not related to the pandemic. This amount includes an increase of \$26.0 million for the HOME Investment Partnerships Program and \$24.4 million for the Housing Trust Fund, which expands the supply of decent, safe, affordable housing and strengthens public–private housing partnerships among entities of general local governments, public housing authorities, nonprofit organizations, and for-profit entities.

TEXAS DEPARTMENT OF TRANSPORTATION

**FIGURE 81
TEXAS DEPARTMENT OF TRANSPORTATION, BY METHOD OF FINANCE**

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$15.4	\$564.6	\$549.2	3,573.7%
General Revenue–Dedicated Funds	\$1.5	\$1.5	\$0.0	0.0%
Federal Funds	\$10,413.6	\$12,839.2	\$2,425.6	23.3%
Other Funds	\$21,252.3	\$22,159.1	\$906.8	4.3%
Total, All Methods of Finance	\$31,682.7	\$35,564.3	\$3,881.6	12.3%



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the Texas Department of Transportation (TxDOT) for the 2024–25 biennium total \$35.6 billion in All Funds for the 2024–25 biennium, an increase of \$3.9 billion from the 2022–23 biennium. General Revenue Funds total \$564.6 million, a net increase of \$549.2 million from the 2022–23 biennium due primarily to \$550.0 million in new funding recommendations for maritime port capital improvement and ship channel improvement projects. Federal Funds total \$12.8 billion, a net increase of \$2.4 billion due primarily to the agency’s anticipated increase in federal reimbursements for eligible highway planning and construction expenditures as compared to the 2022–23 biennium. Other Funds total \$22.2 billion for the 2024–25 biennium, an increase of \$0.9 billion due to estimated increases in State Highway Fund (SHF) revenue sources as compared to the 2022–23 biennium. Other Funds include an estimated \$21.1 billion from all SHF revenue sources, including an estimated \$6.2 billion from state sales tax and motor vehicles sales tax deposits to the SHF (Proposition 7, 2015), \$5.4 billion from oil and natural gas tax-related deposits to the SHF (Proposition 1, 2014), and \$9.5 billion from all other SHF tax and fee revenue sources.

HIGHLIGHTS

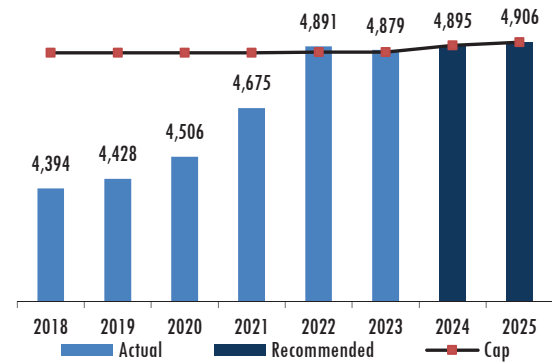
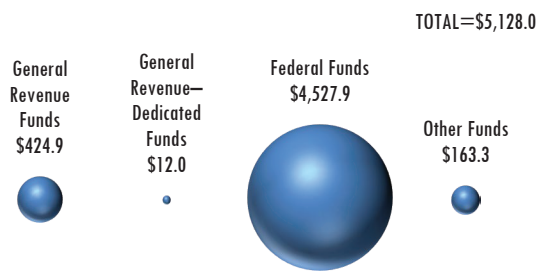
- Funding recommendations provide \$550.0 million in new funding from General Revenue Funds for onetime maritime transportation infrastructure projects, including:
 - \$400.0 million to capitalize the General Revenue–Dedicated Account No. 5167, Ship Channel Improvement Revolving Fund, for financing loans to non-federal sponsors of eligible Texas ship channel improvement projects, which would be financed and implemented in partnership with the U.S. Army Corps of Engineers; and
 - \$150.0 million to fund maritime port capital improvement projects recommended by the Texas Port Authority Advisory Committee, such as multimodal connectivity enhancements, port expansion, and replacement of outdated and failing maritime port facilities.

- Funding recommendations include \$30.5 billion in All Funds for highway planning and design, right-of-way acquisition, construction, and maintenance, which reflects an increase of \$3.2 billion from the 2022–23 biennium and includes the following biennial amounts and changes by method of finance:
 - \$12.3 billion in Federal Funds, a net increase of \$2.5 billion, including an increase of \$2.6 billion in funding from regular federal highway funding apportionments offset by a decrease of \$165.5 million in Federal Funds related to the COVID-19 pandemic for highway program expenditures in the 2022–23 biennium;
 - \$18.1 billion in Other Funds from the SHF, an increase of \$0.7 billion due primarily to anticipated increases in oil and natural gas tax-related revenue (Proposition 1, 2014) and state sales tax and motor vehicle sales and rental tax revenue (Proposition 7, 2015) deposits to the SHF; and
 - \$157.4 million in Texas Mobility Funds (TMF), an increase of \$35.0 million.
- Funding recommendations include \$2.2 billion in All Funds for debt service payments and other financing costs associated with the agency’s borrowing programs, which is a net decrease of \$13.3 million from the 2022–23 biennium. Funding for debt service payment includes \$1.3 billion from SHF revenue sources, \$768.5 million from the TMF, and \$117.6 million in Federal Funds from Build America Bonds interest payment subsidies.
- Funding recommendations include \$366.6 million in SHF for capital information resource technology initiatives and support for agency operations, a decrease of \$16.8 million from the 2022–23 biennium, including funding for legacy modernization projects, cybersecurity initiatives, maintenance and upgrades for the Centralized Accounting and Payroll/ Personnel System, and state shared technology services provided through the Department of Information Resources.
- Funding recommendations include \$295.0 million in All Funds for agency capital facilities projects, an increase of \$42.6 million from the 2022–23 biennium, including \$12.0 million in General Revenue Funds for construction of a new hangar and ramp rehabilitation at the TxDOT Flight Services facility at Austin Bergstrom Airport and \$283.0 million in SHF for construction of new and replacement buildings and facilities, deferred capital maintenance, and acquisition of land for construction of facilities.

TEXAS WORKFORCE COMMISSION

FIGURE 82
TEXAS WORKFORCE COMMISSION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$378.9	\$424.9	\$46.0	12.1%
General Revenue–Dedicated Funds	\$11.7	\$12.0	\$0.2	1.9%
Federal Funds	\$8,717.1	\$4,527.9	(\$4,189.2)	(48.1%)
Other Funds	\$174.8	\$163.3	(\$11.5)	(6.6%)
Total, All Methods of Finance	\$9,282.6	\$5,128.0	(\$4,154.6)	(44.8%)



NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
SOURCES: Legislative Budget Board; State Auditor’s Office.

Funding recommendations for the Texas Workforce Commission (TWC) for the 2024–25 biennium total \$5.1 billion in All Funds, a net decrease of \$4.2 billion from the 2022–23 biennium. General Revenue Funds total \$424.9 million, a 12.1 percent increase of \$46.0 million, and General Revenue–Dedicated Funds total \$12.0 million, a 1.9 percent increase of \$0.2 million from the 2022–23 biennium. Federal Funds total \$4.5 billion, a 48.1 percent decrease of \$4.2 billion from onetime funding related to the COVID-19 pandemic; and Other Funds total \$163.3 million, a 6.6 percent decrease of \$11.5 million from the 2022–23 biennium.

HIGHLIGHTS

- Funding recommendations include an increase of \$46.0 million in General Revenue Funds from the 2022–23 biennium due primarily to a state-approved salary increase and increased funding for the Jobs and Education for Texans program and the Industry Recognized Apprenticeship Program.
- Funding recommendations include \$4.5 billion in Federal Funds for the 2024–25 biennium. This amount represents a \$4.2 billion decrease related to the decrease of onetime pandemic-related funding and a \$22.8 million net increase related to additional federal grants and various agency operations infrastructure improvements, developments, or upgrades from the 2022–23 biennium.
- Coronavirus Relief Funds (CRF) funding recommendations include:
 - \$400.0 million in CRF for the Child Care Development Fund Block Grants (CCDFBG), a decrease of \$4,175.8 million in onetime Federal Funds from CRF for the 2024–25 biennium;

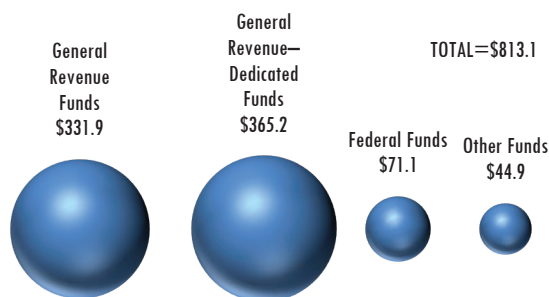
- a decrease of \$46.6 million in onetime Federal Funds from CRF for the 2024–25 biennium for Unemployment Insurance; and
- a decrease of \$15.1 million in onetime Federal Funds from CRF for the 2024–25 biennium for Workforce Innovation and Opportunity Act.
- Other funding recommendations include:
 - \$1.6 billion in CCDFBGs and \$560.4 million in Child Care Mandatory and Matching Funds, totaling \$2.2 billion for the Child Care Development Fund. This amount is an increase of \$83.0 million from the 2022–23 biennium, which consists of \$78.1 million for additional support functions to meet the increased demand for grants and contracting services, \$4.5 million for the development of a Child Care single-information portal system, and \$0.4 million for Mandatory and Matching funds;
 - \$610.0 million in Vocational Rehabilitation (VR) grants, an increase of \$36.0 million primarily due to additional federal VR grants for expanded service offerings through the Independent Living Services for Older Individuals Who Are Blind Program;
 - \$329.6 million in Unemployment Insurance grants, a decrease of \$88.3 million primarily due to the return of the Texas workforce and economic recovery;
 - \$450.0 million in Workforce Innovation and Opportunity Act (WIOA) grants, a net increase of \$4.1 million primarily due to additional federal WIOA Dislocated Worker Formula Grants, which assist an individual who was self-employed but is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters; and
 - \$160.1 million in Apprenticeship grants and Adult Education grants. This amount represents a net decrease of \$12.0 million consisting of: a \$16.6 million reduction in Apprenticeship USA Grants due primarily to the application and award process; and a \$4.6 million increase in the Adult Education and Literacy program, which provides additional instruction to help adults acquire the skills needed to succeed in the workforce, earn a high school equivalency, or enter college or career training.
- Funding recommendations include a decrease of \$11.5 million in Other Funds from the 2022–23 biennium due primarily to Interagency Contract amendments and onetime Appropriated Receipts for donations and third-party reimbursements not anticipated in the 2024–25 biennium.

ARTICLE VIII – REGULATORY

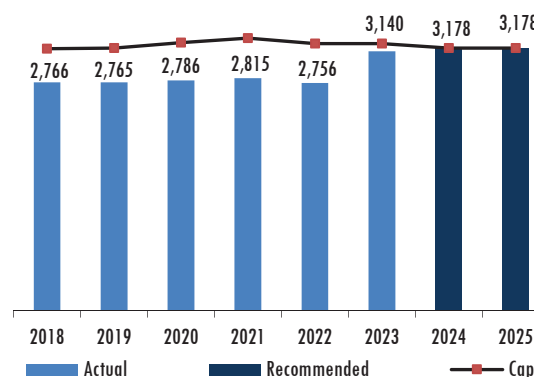
FIGURE 83
ARTICLE VIII – REGULATORY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$309.5	\$331.9	\$22.3	7.2%
General Revenue–Dedicated Funds	\$355.8	\$365.2	\$9.4	2.6%
Federal Funds	\$68.6	\$71.1	\$2.5	3.7%
Other Funds	\$94.9	\$44.9	(\$49.9)	(52.6%)
Total, All Methods of Finance	\$828.8	\$813.1	(\$15.6)	(1.9%)

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTES:

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

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

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE VIII

All Funds recommendations for the Regulatory agencies total \$813.1 million for the 2024–25 biennium, a decrease of \$15.6 million, or 1.9 percent from the 2022–23 biennium. The net decrease in funding is related primarily to the expiration of the Health Insurance Risk Pool on August 31, 2023, at the Texas Department of Insurance offset by general state employee salary increases. The Regulatory agencies regulate various 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. The Public Utility Commission of Texas and Office of Public Utility Counsel are subject to Strategic Fiscal Review.

HIGHLIGHTS

- Funding recommendations for the Texas Department of Licensing and Regulation includes a decrease of \$3.0 million in General Revenue Funds for onetime expenses incurred during the 2022–23 biennium for Phase II of the Texas Licensing System Program, vehicle replacement, and onetime funding for the regulation of elevators, escalators, combative sports, and to reimburse travel expenses of boiler room inspections. This decrease is offset by an increase of \$5.3 million in General Revenue Funds as part of general state employee salary increases.

- Funding recommendations for the Pharmacy Board include an increase of \$7.4 million in General Revenue Funds for upgrades to the Prescription Monitoring Program that includes \$6.6 million for Statewide Integration which allows healthcare providers to immediately access a patient’s history in the Prescription Monitoring Program through their electronic health records or pharmacy management system without needing to log in separately for each patient, and \$0.8 million for Narxcare which aggregates and analyzes prescription information and presents visual, interactive information, including a patient risk score for accidental overdose death based on factors such as past exposure to controlled substances and the number of current controlled substance prescriptions.
- Funding recommendations for the Texas Medical Board include a decrease of \$2.4 million in General Revenue Funds for onetime expenses incurred during the 2022–23 biennium for the agency’s capitol complex relocation offset by an increase of \$2.1 million in General Revenue Funds as part of general state employee salary increases.
- Funding recommendations for the Department of Insurance total \$260.6 million in All Funds, a net decrease of \$46.7 million from the 2022–23 biennium. General Revenue–Dedicated Funds recommendations from Account No. 036, Texas Department of Insurance Operating Fund, total \$244.8 million, a net increase of \$1.5 million from the 2022–23 biennium. This net increase includes the following amounts:
 - a \$14.2 million increase for general state employee salary increases;
 - a \$4.4 million increase to maintain contingency funding for state regulatory response at the 2022–23 biennial appropriated level;
 - a \$1.1 million decrease due to the expiration of the temporary Health Insurance Risk Pool established through enactment of Senate Bill 874, Eighty-seventh Legislature, Regular Session, 2021, to assist Texas residents in accessing quality healthcare contingent upon federal law, regulation, or executive action and which will expire on August 31, 2023;
 - a \$10.7 million decrease in onetime funding appropriated in the 2022–23 biennium through Rider 18, Appropriation: Agent and Adjuster Licensing Fee Collections exceeding revenue estimates; and
 - a \$5.0 million decrease of onetime funding appropriated in the 2022–23 biennium to support enactment of House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, for operations infrastructure replacement and upgrades.
- Other Funds totals \$10.6 million, a net decrease of \$48.2 million from the 2022–23 biennium. This decrease includes the following:
 - \$41.1 million decrease in funding provided for the Health Insurance Risk Pool as the enabling statute expires in the 2022–23 biennium; and
 - \$7.2 million decrease for the Three-Share Premium Assistance Program due to onetime Appropriated Receipts collections exceeding appropriated amounts.

Figure 84 shows the All Funds appropriation for each agency in Article VIII, and **Figure 85** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more details about funding levels for the Public Utility Commission of Texas and the Office of Public Utility Council.

FIGURE 84
ARTICLE VIII – REGULATORY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
State Office of Administrative Hearings	\$22.7	\$24.3	\$1.6	7.0%
Texas Behavioral Health Executive Council	\$10.2	\$10.7	\$0.5	5.0%
Board of Chiropractic Examiners	\$1.9	\$2.0	\$0.1	4.6%
Texas State Board of Dental Examiners	\$9.4	\$9.6	\$0.2	2.3%
Funeral Service Commission	\$1.8	\$1.8	\$0.1	4.1%
Board of Professional Geoscientists	\$1.2	\$1.3	\$0.0	1.3%
Health Professions Council	\$3.0	\$3.1	\$0.1	2.9%
Office of Injured Employee Counsel	\$17.4	\$18.8	\$1.4	7.8%
Department of Insurance	\$307.3	\$260.6	(\$46.7)	(15.2%)
Office of Public Insurance Counsel	\$2.0	\$2.1	\$0.1	6.1%
Department of Licensing and Regulation	\$91.7	\$94.0	\$2.3	2.5%
Texas Medical Board	\$32.3	\$32.1	(\$0.2)	(0.7%)
Texas Board of Nursing	\$27.2	\$28.4	\$1.1	4.2%
Optometry Board	\$1.1	\$1.1	\$0.1	4.9%
Board of Pharmacy	\$20.3	\$27.1	\$6.8	33.7%
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$2.8	\$3.1	\$0.3	9.2%
Board of Plumbing Examiners	\$6.0	\$6.2	\$0.2	3.9%
Texas Racing Commission	\$13.5	\$13.9	\$0.4	3.0%
Texas State Securities Board	\$15.0	\$16.0	\$1.0	6.5%
Public Utility Commission	\$42.6	\$45.1	\$2.5	5.9%
Office of Public Utility Counsel	\$5.0	\$5.2	\$0.2	3.5%
Board of Veterinary Medical Examiners	\$2.9	\$3.0	\$0.2	5.3%
Subtotal, Regulatory	\$637.4	\$609.5	(\$27.8)	(4.4%)
Retirement and Group Insurance	\$165.2	\$174.8	\$9.6	5.8%
Social Security and Benefits Replacement Pay	\$38.5	\$41.2	\$2.7	7.1%
Lease Payments	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Employee Benefits and Debt Service	\$203.7	\$216.1	\$12.4	6.1%
Less Interagency Contracts	\$12.3	\$12.5	\$0.2	1.5%
Total, All Functions	\$828.8	\$813.1	(\$15.6)	(1.9%)

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

SOURCE: Legislative Budget Board.

FIGURE 85
ARTICLE VIII – REGULATORY, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED	RECOMMENDED	BIENNIAL	PERCENTAGE
FUNCTION	2022–23	2024–25	CHANGE	CHANGE
State Office of Administrative Hearings	\$13.8	\$15.2	\$1.4	10.4%
Texas Behavioral Health Executive Council	\$7.9	\$8.4	\$0.5	6.0%
Board of Chiropractic Examiners	\$1.8	\$1.8	\$0.0	2.3%
Texas State Board of Dental Examiners	\$8.7	\$9.1	\$0.4	4.6%
Funeral Service Commission	\$1.6	\$1.7	\$0.0	2.8%
Board of Professional Geoscientists	\$1.2	\$1.3	\$0.0	1.3%
Health Professions Council	\$0.0	\$0.1	\$0.1	150.2%
Office of Injured Employee Counsel	\$0.0	\$0.0	\$0.0	N/A
Department of Insurance (2)	\$0.6	\$0.6	\$0.0	2.4%
Office of Public Insurance Counsel	\$1.6	\$1.7	\$0.1	7.5%
Department of Licensing and Regulation	\$75.9	\$78.2	\$2.3	3.1%
Texas Medical Board	\$25.6	\$24.8	(\$0.8)	(3.2%)
Texas Board of Nursing	\$19.2	\$20.4	\$1.1	6.0%
Optometry Board	\$1.0	\$1.0	\$0.1	5.4%
Board of Pharmacy	\$18.3	\$26.7	\$8.4	46.1%
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$2.6	\$2.8	\$0.2	7.6%
Board of Plumbing Examiners	\$5.9	\$6.2	\$0.3	4.3%
Texas Racing Commission	\$0.0	\$0.0	\$0.0	N/A
Texas State Securities Board	\$15.0	\$16.0	\$1.0	6.5%
Public Utility Commission	\$35.4	\$37.7	\$2.3	6.6%
Office of Public Utility Counsel	\$4.0	\$4.2	\$0.1	3.4%
Board of Veterinary Medical Examiners	\$2.9	\$3.0	\$0.2	5.3%
Subtotal, Regulatory	\$243.2	\$261.0	\$17.8	7.3%
Retirement and Group Insurance	\$51.2	\$54.4	\$3.1	6.1%
Social Security and Benefits Replacement Pay	\$15.1	\$16.5	\$1.4	9.2%
Lease Payments	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Employee Benefits and Debt Service	\$66.3	\$70.8	\$4.5	6.8%
Total, All Functions	\$309.5	\$331.9	\$22.3	7.2%

NOTES:

- (1) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, totals may not sum due to rounding.
- (2) Texas Department of Insurance funding includes a method-of-finance change that decreased General Revenue Funds by \$81.7 million and increased General Revenue–Dedicated Funds by the same amount.

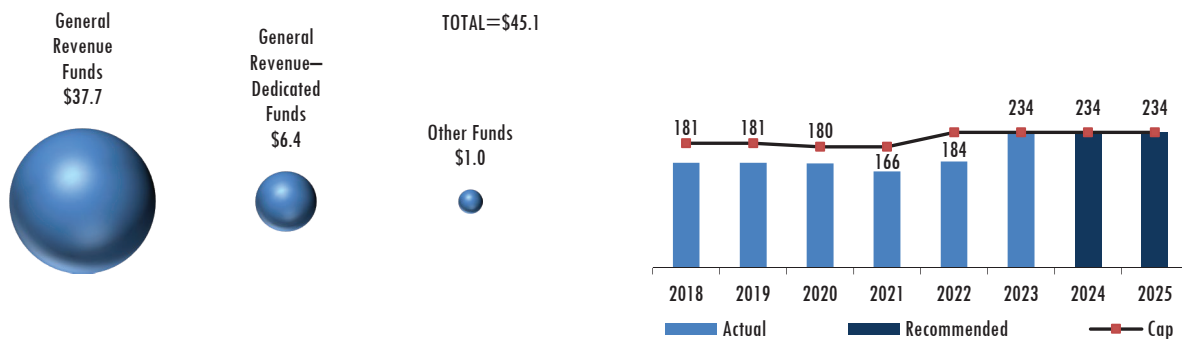
SOURCE: Legislative Budget Board.

PUBLIC UTILITY COMMISSION OF TEXAS

FIGURE 86
PUBLIC UTILITY COMMISSION OF TEXAS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$35.4	\$37.7	\$2.3	6.6%
General Revenue–Dedicated Funds	\$6.2	\$6.4	\$0.2	3.0%
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$1.0	\$1.0	\$0.0	0.0%
Total, All Methods of Finance	\$42.6	\$45.1	\$2.5	5.9%

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)	FULL-TIME-EQUIVALENT POSITIONS
-------------------------------------------	--------------------------------



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

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

Recommended funding for the Public Utility Commission of Texas (PUC) for the 2024–25 biennium totals \$45.1 million in All Funds, including \$37.7 million in General Revenue Funds. PUC is subject to Strategic Fiscal Review (SFR).

HIGHLIGHTS

- The SFR process analyzed agency funding and performance from fiscal years 2016 to 2021. Report findings include the agency's struggle to retain staff especially attorneys, as the position has an average 25.0 percent turnover rate each year, and the improvement of speed and efficiency by moving to an online filing system. Additionally, in August 2022, PUC raised the assessment rate of the Texas Universal Service Fund (TUSF), which assists Texas residents in obtaining basic telecommunications services, from 3.3 percent to 24.0 percent to cover funding for all TUSF programs. The agency will hold this rate until outstanding obligations are fulfilled then lower the rate to a level that maintains the TUSF balance.
- Funding recommendations include an increase of \$2.4 million in General Revenue Funds and \$0.2 million in General Revenue–Dedicated Funds from Account No. 153, Water Resource Management, for a general state employee salary increase.
- Funding recommendations include maintaining \$2.7 million in General Revenue Funds and 10.0 full-time-equivalent (FTE) positions for preparing for, preventing, and responding to weather emergencies and power outages associated with enactment of Senate Bill 3, Eighty-seventh Legislature, Regular Session, 2021.
- Funding recommendations include a decrease of \$0.1 million in onetime General Revenue Funds in the 2022–23 biennium for the construction of additional commissioners' offices and maintaining \$1.6 million in General Revenue Funds for two additional commissioners and their staff (6.0 FTE positions) to support enactment of Senate Bill 2154, Eighty-seventh Legislature, Regular Session, 2021, which increased the number of commissioners at PUC from three to five.

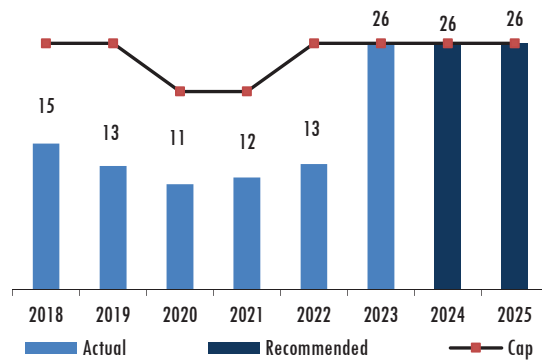
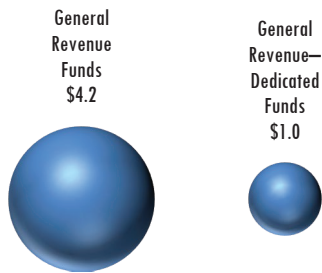
OFFICE OF PUBLIC UTILITY COUNSEL

FIGURE 87
OFFICE OF PUBLIC UTILITY COUNSEL, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$4.0	\$4.2	\$0.1	3.4%
General Revenue–Dedicated Funds	\$1.0	\$1.0	\$0.0	4.0%
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	\$5.0	\$5.2	\$0.2	3.5%

ALL FUNDS, 2024–25 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



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

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

Funding recommendations for the Office of Public Utility Counsel (OPUC) for the 2024–25 biennium total \$5.2 million in All Funds, including \$1.0 million in General Revenue–Dedicated Funds. Funding recommendations include maintaining funding of \$0.1 million in General Revenue Funds and 1.0 full-time-equivalent position per fiscal year to support enactment of House Bill 3853, Eighty-seventh Legislature, Regular Session, 2021, to ensure participation in providing broadband on behalf of the state’s residential and small commercial consumers. OPUC is subject to Strategic Fiscal Review.

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 the 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 Funds (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 Legislative Budget Board-recommended version for the Senate.

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, 2024	August 31, 2025
B	Method of Financing: <u>General Revenue Fund</u> General Revenue Fund Child Support Retained Collection Account Attorney General Debt Collection Receipts	\$ 165,035,163 107,012,056 8,300,000	\$ 172,665,093 107,012,056 8,300,000
	Subtotal, General Revenue Fund	\$ 280,347,219	\$ 287,977,149
	<u>General Revenue Fund - Dedicated</u> Texas Department of Insurance Operating Fund Account No. 036 Compensation to Victims of Crime Account No. 469 Compensation to Victims of Crime Auxiliary Account No. 494 AG Law Enforcement Account No. 5006 Sexual Assault Program Account No. 5010	\$ 3,606,931 54,534,061 161,509 512,732 16,656,802	\$ 3,790,401 54,849,852 161,659 517,375 15,713,742
	Subtotal, General Revenue Fund - Dedicated	\$ 75,472,035	\$ 75,033,029
	Federal Funds	\$ 225,864,135	\$ 234,373,654
	<u>Other Funds</u> Interagency Contracts - Criminal Justice Grants Appropriated Receipts Interagency Contracts License Plate Trust Fund Account No. 0802, estimated	\$ 1,566,826 39,715,212 39,838,116 31,000	\$ 1,566,826 39,719,231 39,831,083 31,000
	Subtotal, Other Funds	\$ 81,151,154	\$ 81,148,140
	Total, Method of Financing	\$ 662,834,543	\$ 678,531,972
	This bill pattern represents an estimated 100% of this agency's estimated total available funds for the biennium.		
C	Number of Full-Time-Equivalents (FTE):	4,217.5	4,217.5
D	Schedule of Exempt Positions: Attorney General, Group 6	\$153,750	\$153,750
E	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.	\$ 123,080,474	\$ 122,977,458
	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	\$ 350,251,922	\$ 350,251,922
	Total, Goal B: ENFORCE CHILD SUPPORT LAW	\$ 363,610,589	\$ 363,610,589
	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.	\$ 90,599,493	\$ 92,203,414
F	A813-LBB Senate-1-A	G	I-3 January 5, 2023

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 (previous page), and the Total, Object-of-Expense Informational Listing (below).

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	48,160,309	47,160,308
Provide Grants & Contracts for Victims Svcs/Sexual Asslt Victims.		
Total, Goal C: CRIME VICTIMS’ SERVICES	\$ 138,759,802	\$ 139,363,722
D. Goal: REFER MEDICAID CRIMES		
Investigate/Refer for Prosecution Fraud/Misconduct Involving Medicaid.		
D.1.1. Strategy: MEDICAID INVESTIGATION	\$ 20,143,405	\$ 20,143,405
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	\$ 1,040,155	\$ 1,040,155
Provide Administrative Support to the State Office of Risk Management.		
F. Goal: SALARY ADJUSTMENTS		
F.1.1. Strategy: SALARY ADJUSTMENTS	\$ 16,200,118	\$ 31,396,643
Grand Total, OFFICE OF THE ATTORNEY GENERAL	<u>\$ 662,834,543</u>	<u>\$ 678,531,972</u>
Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 299,130,415	\$ 314,326,940
Other Personnel Costs	8,338,574	8,338,574
Professional Fees and Services	84,979,377	85,011,321
Fuels and Lubricants	467,080	467,080
Consumable Supplies	1,627,958	1,627,958
Utilities	2,912,688	2,912,688
Travel	4,805,266	4,805,266
Rent - Building	23,123,160	23,123,160
Rent - Machine and Other	1,237,843	1,237,843
Other Operating Expense	173,007,140	173,476,100
Grants	62,763,462	62,763,462
Capital Expenditures	441,580	441,580
Total, Object-of-Expense Informational Listing	<u>\$ 662,834,543</u>	<u>\$ 678,531,972</u>
Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:		
Employee Benefits		
Retirement	\$ 25,810,806	\$ 27,420,210
Group Insurance	48,052,568	49,205,041
Social Security	20,771,358	22,067,249
Benefits Replacement	139,520	111,477
Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act	<u>\$ 94,774,252</u>	<u>\$ 98,803,977</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.		
	<u>2024</u>	<u>2025</u>
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	1,122,576	1,108,996
Efficiencies:		
Average Cost Per Legal Hour	109.07	110.31

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	86%	86%
Percent of All Current Child Support Amounts Due That Are Collected	66%	66%
Percent of Title IV-D Cases with Arrears Due in Which Any Amount Is Paid Toward Arrears	66%	66%
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)	4,450	4,450
Efficiencies:		
Ratio of Total Dollars Collected Per Dollar Spent	12.7	12.7
B.1.2. Strategy: STATE DISBURSEMENT UNIT		
Output (Volume):		
Number of Payment Receipts Processed by the SDU Vendor	22,000,000	22,000,000
C. Goal: CRIME VICTIMS’ SERVICES		
Outcome (Results/Impact):		
Amount of Crime Victims’ Compensation Awarded	80,196,090	81,800,012
C.1.1. Strategy: CRIME VICTIMS’ COMPENSATION		
Efficiencies:		
Average Number of Days to Analyze a Claim and Make an Award	42	42
D. Goal: REFER MEDICAID CRIMES		
D.1.1. Strategy: MEDICAID INVESTIGATION		
Output (Volume):		
Number of Investigations Concluded	500	500



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 expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

	2022	2023
a. Acquisition of Information Resource Technologies		
(1) Child Support Hardware/Software Enhancements	\$ 100,000	\$ 100,000
(2) Crime Victims Management System Enhancements and Support	350,000	350,000
Total, Acquisition of Information Resource Technologies	\$ 450,000	\$ 450,000
b. Transportation Items		
(1) Child Support Motor Vehicles	\$ 48,000	\$ 120,000
c. Data Center/Shared Technology Services		
(1) Data Center Consolidation	\$ 42,670,032	\$ 42,455,386
Total, Capital Budget	\$ 43,168,032	\$ 43,025,386
Method of Financing (Capital Budget):		
General Revenue Fund	\$ 16,303,275	\$ 16,026,114
GR Dedicated – Compensation to Victims of Crime Account No. 469	\$ 138,288	\$ 131,636
Federal Funds	\$ 25,422,749	\$ 25,470,268
Other Funds		
Appropriated Receipts	\$ 1,171,677	\$ 1,271,677
Interagency Contracts	132,043	125,691
Subtotal, Other Funds	\$ 1,303,720	\$ 1,397,368
Total, Method of Financing	\$ 43,168,032	\$ 43,025,386

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)

	2024	2025
a. Acquisition of Information Resource Technologies		
(1) Child Support Hardware/Software Enhancements	\$ 100,000	\$ 100,000
(2) Crime Victims Management System - Enhancements and Support	350,000	350,000
Total, Acquisition of Information Resource Technologies	\$ 450,000	\$ 450,000
b. Data Center/Shared Technology Services		
(1) Data Center Consolidation	\$ 59,620,386	\$ 59,620,386
Total, Capital Budget	\$ 60,070,386	\$ 60,070,386
Method of Financing (Capital Budget):		
General Revenue Fund	\$ 22,048,730	\$ 22,048,730
GR Dedicated - Compensation to Victims of Crime Account No. 469	\$ 170,800	\$ 170,800
Federal Funds	\$ 35,531,967	\$ 35,531,967
Other Funds		
Appropriated Receipts	\$ 2,171,677	\$ 2,171,677
Interagency Contracts	147,212	147,212
Subtotal, Other Funds	\$ 2,318,889	\$ 2,318,889
Total, Method of Financing	\$ 60,070,386	\$ 60,070,386

M

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 ~~2022~~2024 and \$808,289 in fiscal year ~~2023~~2025, shall be transferred monthly by the Comptroller of Public Accounts to such funds from the General Revenue Fund, and all amounts so transferred are appropriated to the Office of the Attorney General for use during the ~~2022-23~~2024-25 biennium, in addition to the amounts otherwise appropriated herein. Amounts transferred pursuant to this provision shall be shown as a separate, individual entry in the Method of Finance in all standard reports regularly utilizing a method of finance which are submitted to the Governor’s Office or the Legislative Budget Board.
- c. The Office of the Attorney General, in cooperation with the Comptroller of Public Accounts, shall develop and maintain such cost centers and/or subaccounts within the Child Support Trust Fund No. 994 and/or the Child Support Retained Collection Account as may be determined necessary or appropriate to separately account for, and allocate the interest earned on, the various sources for receipts deposited to, and types of expenditures made from such funds. The Comptroller of Public Accounts shall separately allocate interest earned by the State to each such cost center and/or subaccount, or to such groupings thereof as may be designated by the Office of the Attorney General for purposes of reporting interest earned to the federal government.

COMPARISON OF RECOMMENDATIONS

**FIGURE B-1
ALL FUNDS**

(IN MILLIONS) ALL FUNCTIONS	ESTIMATED/BUDGETED 2022-23	RECOMMENDED 2024-25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$13,556.2	\$10,064.3	(\$3,491.9)	(25.8%)
Article II – Health and Human Services	\$108,941.2	\$97,364.3	(\$11,576.9)	(10.6%)
Article III – Agencies of Education	\$101,731.6	\$109,529.3	\$7,797.7	7.7%
<i>Public Education</i>	\$71,019.7	\$79,303.4	\$8,283.7	11.7%
<i>Higher Education</i>	\$30,711.9	\$30,225.9	(\$486.0)	(1.6%)
Article IV – Judiciary	\$992.5	\$1,105.2	\$112.7	11.4%
Article V – Public Safety and Criminal Justice	\$13,636.2	\$18,014.8	\$4,378.6	32.1%
Article VI – Natural Resources	\$11,240.7	\$7,070.1	(\$4,170.6)	(37.1%)
Article VII – Business and Economic Development	\$45,824.0	\$43,913.1	(\$1,911.0)	(4.2%)
Article VIII – Regulatory	\$828.8	\$813.1	(\$15.6)	(1.9%)
Article IX – General Provisions	\$0.0	\$350.0	\$350.0	N/A
Article X – Legislature	\$433.5	\$470.9	\$37.4	8.6%
Total, All Articles	\$297,184.7	\$288,695.1	(\$8,489.5)	(2.9%)

NOTES:

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

SOURCE: Legislative Budget Board.

**FIGURE B-2
GENERAL REVENUE FUNDS**

(IN MILLIONS) ALL FUNCTIONS	ESTIMATED/BUDGETED 2022-23	RECOMMENDED 2024-25	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$7,877.6	\$7,171.9	(\$705.7)	(9.0%)
Article II – Health and Human Services	\$37,511.9	\$40,997.5	\$3,485.6	9.3%
Article III – Agencies of Education	\$57,674.7	\$59,412.5	\$1,737.8	3.0%
<i>Public Education</i>	\$40,490.0	\$38,420.7	(\$2,069.2)	(5.1%)
<i>Higher Education</i>	\$17,184.7	\$20,991.8	\$3,807.0	22.2%
Article IV – Judiciary	\$597.7	\$743.6	\$145.9	24.4%
Article V – Public Safety and Criminal Justice	\$11,887.7	\$17,432.1	\$5,544.4	46.6%
Article VI – Natural Resources	\$1,379.4	\$2,104.7	\$725.3	52.6%
Article VII – Business and Economic Development	\$508.1	\$1,113.1	\$605.0	119.1%
Article VIII – Regulatory	\$309.5	\$331.9	\$22.3	7.2%
Article IX – General Provisions	\$0.0	\$350.0	\$350.0	N/A
Article X – Legislature	\$433.4	\$470.7	\$37.3	8.6%
Total, All Articles	\$118,180.0	\$130,127.9	\$11,947.9	10.1%

NOTES:

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

SOURCE: Legislative Budget Board.

**FIGURE B–3
GENERAL REVENUE–DEDICATED FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$866.1	\$473.2	(\$392.8)	(45.4%)
Article II – Health and Human Services	\$501.3	\$511.2	\$10.0	2.0%
Article III – Agencies of Education	\$2,859.2	\$2,811.8	(\$47.5)	(1.7%)
<i>Public Education</i>	\$0.0	\$0.0	\$0.0	N/A
<i>Higher Education</i>	\$2,859.2	\$2,811.8	(\$47.5)	(1.7%)
Article IV – Judiciary	\$197.9	\$178.1	(\$19.8)	(10.0%)
Article V – Public Safety and Criminal Justice	\$54.1	\$31.6	(\$22.4)	(41.5%)
Article VI – Natural Resources	\$1,238.0	\$1,252.7	\$14.6	1.2%
Article VII – Business and Economic Development	\$677.4	\$673.6	(\$3.8)	(0.6%)
Article VIII – Regulatory	\$355.8	\$365.2	\$9.4	2.6%
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	\$6,749.8	\$6,297.4	(\$452.4)	(6.7%)

NOTES:

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

SOURCE: Legislative Budget Board.

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

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$8,743.7	\$7,645.2	(\$1,098.5)	(12.6%)
Article II – Health and Human Services	\$38,013.1	\$41,508.7	\$3,495.6	9.2%
Article III – Agencies of Education	\$60,533.9	\$62,224.3	\$1,690.3	2.8%
<i>Public Education</i>	\$40,490.0	\$38,420.7	(\$2,069.2)	(5.1%)
<i>Higher Education</i>	\$20,044.0	\$23,803.5	\$3,759.6	18.8%
Article IV – Judiciary	\$795.6	\$921.7	\$126.1	15.8%
Article V – Public Safety and Criminal Justice	\$11,941.8	\$17,463.7	\$5,521.9	46.2%
Article VI – Natural Resources	\$2,617.4	\$3,357.3	\$739.9	28.3%
Article VII – Business and Economic Development	\$1,185.5	\$1,786.7	\$601.2	50.7%
Article VIII – Regulatory	\$665.3	\$697.1	\$31.7	4.8%
Article IX – General Provisions	\$0.0	\$350.0	\$350.0	N/A
Article X – Legislature	\$433.4	\$470.7	\$37.3	8.6%
Total, All Articles	\$124,929.8	\$136,425.3	\$11,495.5	9.2%

NOTES:

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

SOURCE: Legislative Budget Board.

**FIGURE B–5
FEDERAL FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$2,727.0	\$1,248.4	(\$1,478.5)	(54.2%)
Article II – Health and Human Services	\$69,491.4	\$54,595.1	(\$14,896.3)	(21.4%)
Article III – Agencies of Education	\$20,808.8	\$15,285.2	(\$5,523.6)	(26.5%)
<i>Public Education</i>	\$13,461.1	\$12,517.4	(\$943.7)	(7.0%)
<i>Higher Education</i>	\$7,347.6	\$2,767.8	(\$4,579.8)	(62.3%)
Article IV – Judiciary	\$14.9	\$4.2	(\$10.6)	(71.6%)
Article V – Public Safety and Criminal Justice	\$1,474.7	\$404.3	(\$1,070.5)	(72.6%)
Article VI – Natural Resources	\$7,787.0	\$3,232.0	(\$4,555.0)	(58.5%)
Article VII – Business and Economic Development	\$22,360.1	\$18,864.9	(\$3,495.2)	(15.6%)
Article VIII – Regulatory	\$68.6	\$71.1	\$2.5	3.7%
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	\$124,732.4	\$93,705.3	(\$31,027.2)	(24.9%)

NOTES:

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

SOURCE: Legislative Budget Board.

**FIGURE B–6
OTHER FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED 2022–23	RECOMMENDED 2024–25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$2,085.6	\$1,170.7	(\$914.9)	(43.9%)
Article II – Health and Human Services	\$1,436.7	\$1,260.5	(\$176.2)	(12.3%)
Article III – Agencies of Education	\$20,388.9	\$32,019.8	\$11,631.0	57.0%
<i>Public Education</i>	\$17,068.7	\$28,365.3	\$11,296.7	66.2%
<i>Higher Education</i>	\$3,320.2	\$3,654.5	\$334.3	10.1%
Article IV – Judiciary	\$182.0	\$179.3	(\$2.8)	(1.5%)
Article V – Public Safety and Criminal Justice	\$219.7	\$146.8	(\$72.8)	(33.2%)
Article VI – Natural Resources	\$836.3	\$480.8	(\$355.5)	(42.5%)
Article VII – Business and Economic Development	\$22,278.4	\$23,261.5	\$983.1	4.4%
Article VIII – Regulatory	\$94.9	\$44.9	(\$49.9)	(52.6%)
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$0.1	\$0.2	\$0.2	294.9%
Total, All Articles	\$47,522.4	\$58,564.5	\$11,042.1	23.2%

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, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

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

(IN MILLIONS)	ESTIMATED/BUDGETED 2022-23	RECOMMENDED 2024-25	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$10,829.2	\$8,815.9	(\$2,013.4)	(18.6%)
Article II – Health and Human Services	\$39,449.8	\$42,769.3	\$3,319.4	8.4%
Article III – Agencies of Education	\$80,922.8	\$94,244.1	\$13,321.3	16.5%
<i>Public Education</i>	\$57,558.6	\$66,786.0	\$9,227.4	16.0%
<i>Higher Education</i>	\$23,364.2	\$27,458.0	\$4,093.8	17.5%
Article IV – Judiciary	\$977.6	\$1,100.9	\$123.3	12.6%
Article V – Public Safety and Criminal Justice	\$12,161.5	\$17,610.6	\$5,449.1	44.8%
Article VI – Natural Resources	\$3,453.7	\$3,838.1	\$384.4	11.1%
Article VII – Business and Economic Development	\$23,463.9	\$25,048.2	\$1,584.2	6.8%
Article VIII – Regulatory	\$760.2	\$742.0	(\$18.2)	(2.4%)
Article IX – General Provisions	\$0.0	\$350.0	\$350.0	N/A
Article X – Legislature	\$433.5	\$470.9	\$37.4	8.6%
Total, All Articles	\$172,452.3	\$194,989.9	\$22,537.6	13.1%

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, totals may not sum due to rounding.

SOURCE: Legislative Budget Board.