



# LEGISLATIVE BUDGET BOARD

## **Fiscal Size-up 2022–23 Biennium**

**SUBMITTED TO THE 87TH TEXAS LEGISLATURE**

**PREPARED BY LEGISLATIVE BUDGET BOARD STAFF**

**[WWW.LBB.TEXAS.GOV](http://WWW.LBB.TEXAS.GOV)**

**MARCH 2022**

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# FISCAL SIZE-UP: 2022–23 BIENNIUM

March 2022

This publication of *Fiscal Size-up* continues the tradition first instituted in 1952 to report on the budget and other fiscal actions of each Legislature, and to provide contextual information about the structure, operation, and fiscal condition of Texas state government. *Fiscal Size-up* serves to inform members of the Legislature, state entities, and Texas taxpayers with a comprehensive review of how tax dollars were directed by the Eighty-seventh Legislature during the Regular and Called sessions in 2021.

The first three chapters of *Fiscal Size-up* summarize the overall fiscal condition of the state as it was when the Eighty-seventh Legislature deliberated the current budget. These opening chapters provide a high-level overview of the 2022–23 biennial state budget, describe the major revenue sources and funds, examine economic indicators for Texas and the U.S., and highlight legislation passed by the Eighty-seventh Legislature, 2021, that may have a significant fiscal impact.

Following this summary, the subsequent chapters of *Fiscal Size-up* focus in turn on each function of state government, providing comprehensive descriptions of programs and services within the state budget. We approach this discussion from the point of view of placing significant budget issues within the context of programs, activities, and services of the agencies and institutions that support each function. Certain information is also available in an interactive format online at [www.lbb.texas.gov/interactive\\_graphics.aspx](http://www.lbb.texas.gov/interactive_graphics.aspx). This format enables quick extraction of detail by article, agency, and method of finance. Along with other Legislative Budget Board publications, the 2022–23 *Fiscal Size-up* is available on the Legislative Budget Board's website at [www.lbb.texas.gov](http://www.lbb.texas.gov).

The Legislative Budget Board is committed to producing work that is accurate, useful, and accessible. I am grateful for the commitment and quality work of the Legislative Budget Board staff and also for the many state officials and staff that provided the information necessary to compile this publication. The presentation of this information and its associated analysis are solely the responsibility of the Legislative Budget Board staff.

Jerry McGinty

Director

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# 1. STATE BUDGET OVERVIEW

This chapter provides an overview of Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, referred to as the General Appropriations Act (GAA). This overview includes other bills that appropriate funds passed by the Eighty-seventh Legislature during its Regular Session, Second Called Session, and Third Called Session, 2021. These combined appropriations are referred to as the state budget for the 2022–23 biennium.

The overview highlights major changes in the budget from the previous biennium and incorporates the adjustments to 2020–21 biennial appropriations included in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, the supplemental appropriations bill. It also includes supplemental appropriations pursuant to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, which authorizes appropriations of federal stimulus funding related to the COVID-19 pandemic in the General Appropriations Act, 2022–23 Biennium, Article XII.

The budget 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, plus an article providing general provisions to all state agencies and institutions.

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 by the funds-consolidation process. For example, Account No. 151, Clean Air, is

funded primarily through a portion of motor vehicle inspection fees and a portion of air pollution control fees. These Account No. 151 revenues are statutorily dedicated to the Texas Commission on Environmental Quality to provide funding for various air quality, monitoring, and permitting programs;

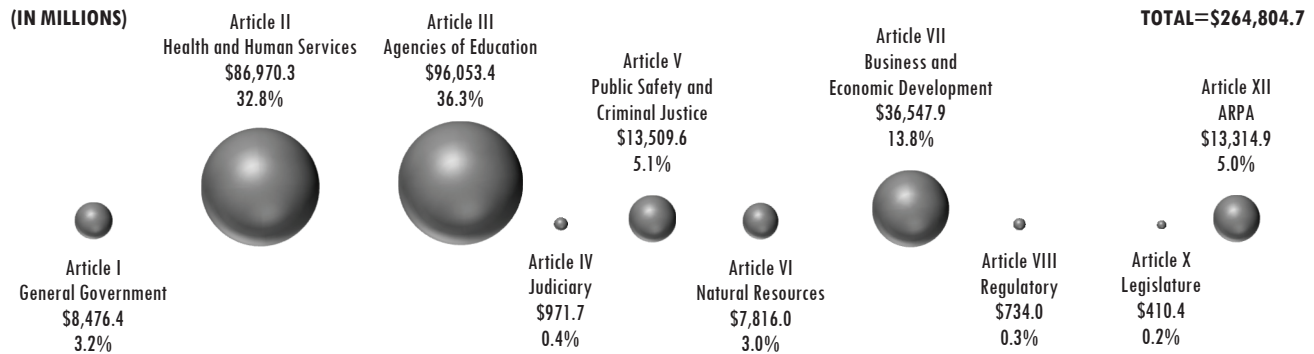
- **Federal Funds** include grants, allocations, payments, or reimbursements received from the federal government by state agencies and institutions. The largest portion of federal funding appropriations is for the Medicaid program in Article II. Other examples of Federal Funds appropriations include the 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; and
- **Other Funds** consist of any funds that are not included in the General Revenue Fund (dedicated or not) or Federal Funds. Examples of Other Funds include the State Highway Fund, the Texas Mobility Fund, the Property Tax Relief Fund, the Economic Stabilization Fund, trust funds, bond proceeds, and Interagency Contracts.

**Figures 1 to 14** show the total appropriations for the 2022–23 biennium by each method of finance for each article compared to the 2020–21 biennial estimated or budgeted level of funding. Included are highlights of major funding items or significant policy or fiscal issues across the state; a reconciliation of the base that explains how the previous biennium’s appropriations have been adjusted during the 2020–21 biennium; an itemization of exceptions to 2022–23 baseline funding; and examples of factors affecting the state budget, including budget drivers such as correctional population and public school daily attendance.

This chapter also provides context for understanding the budget, including an analysis of trends in state government expenditures, a discussion of restricted appropriations, and an explanation of constitutional limitations on state appropriations.

## FUNDING BY ARTICLE

**FIGURE 1**  
FUNDING BY ARTICLE, ALL FUNDS



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

**FIGURE 2**  
FUNDING BY ARTICLE, ALL FUNDS

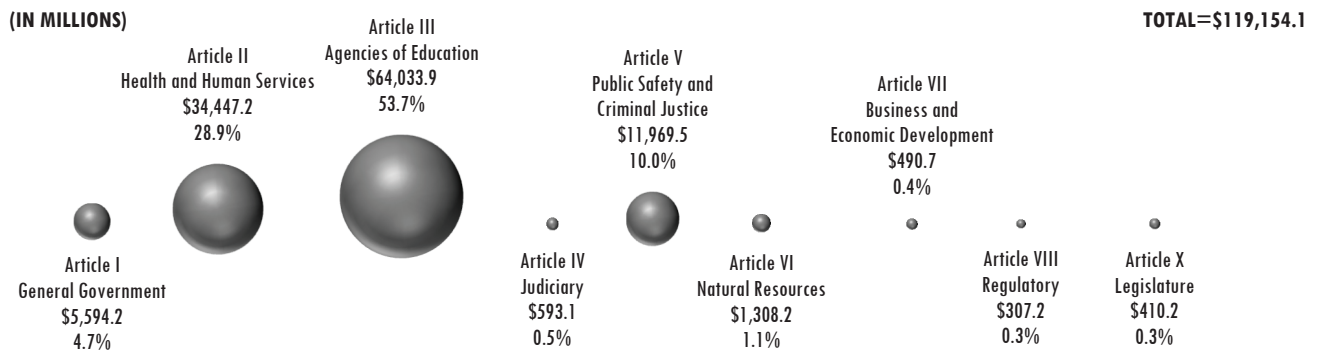
(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21 (1)	APPROPRIATED 2022–23 (2)	BIENNIAL CHANGE	PERCENTAGE CHANGE
<b>ALL FUNCTIONS</b>				
Article I – General Government	\$9,605.0	\$8,476.4	(\$1,128.6)	(11.8%)
Article II – Health and Human Services	\$97,441.5	\$86,970.3	(\$10,471.2)	(10.7%)
Article III – Agencies of Education	\$95,697.4	\$96,053.4	\$356.0	0.4%
<i>Public Education</i>	\$69,487.1	\$72,402.8	\$2,915.7	4.2%
<i>Higher Education</i>	\$26,210.3	\$23,650.6	(\$2,559.7)	(9.8%)
Article IV – Judiciary	\$986.5	\$971.7	(\$14.7)	(1.5%)
Article V – Public Safety and Criminal Justice	\$13,722.8	\$13,509.6	(\$213.1)	(1.6%)
Article VI – Natural Resources	\$11,691.5	\$7,816.0	(\$3,875.5)	(33.1%)
Article VII – Business and Economic Development	\$40,067.1	\$36,547.9	(\$3,519.1)	(8.8%)
Article VIII – Regulatory	\$720.6	\$734.0	\$13.5	1.9%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$408.2	\$410.4	\$2.2	0.5%
<b>Total, Articles I–X</b>	<b>\$270,340.5</b>	<b>\$251,489.8</b>	<b>(\$18,850.7)</b>	<b>(7.0%)</b>
Article XII – American Rescue Plan Act of 2021 (ARPA)		\$13,314.9		
<b>Total, All Articles</b>	<b>\$270,340.5</b>	<b>\$264,804.7</b>	<b>(\$5,535.8)</b>	<b>(2.0%)</b>

## NOTES:

- (1) Estimated/Budgeted amounts for the 2020–21 biennium include supplemental spending adjustments pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.
- (2) Appropriated amounts for the 2022–23 biennium include adjustments pursuant to Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; House Bill 5 and House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; and Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021.
- (3) Excludes Interagency Contracts.
- (4) 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**  
**FUNDING BY ARTICLE, GENERAL REVENUE FUNDS**



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

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

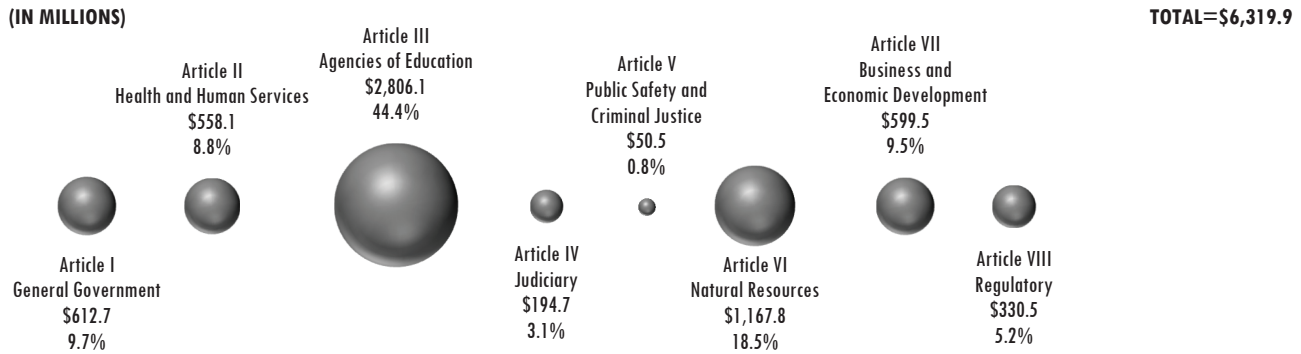
(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21 (1)	APPROPRIATED 2022–23 (2)	BIENNIAL CHANGE	PERCENTAGE CHANGE
<b>ALL FUNCTIONS</b>				
Article I – General Government	\$5,125.0	\$5,594.2	\$469.3	9.2%
Article II – Health and Human Services	\$32,768.0	\$34,447.2	\$1,679.2	5.1%
Article III – Agencies of Education	\$60,640.0	\$64,033.9	\$3,393.9	5.6%
<i>Public Education</i>	\$44,843.9	\$47,326.6	\$2,482.7	5.5%
<i>Higher Education</i>	\$15,796.0	\$16,707.2	\$911.2	5.8%
Article IV – Judiciary	\$553.8	\$593.1	\$39.2	7.1%
Article V – Public Safety and Criminal Justice	\$10,932.9	\$11,969.5	\$1,036.6	9.5%
Article VI – Natural Resources	\$948.8	\$1,308.2	\$359.4	37.9%
Article VII – Business and Economic Development	\$520.9	\$490.7	(\$30.2)	(5.8%)
Article VIII – Regulatory	\$370.7	\$307.2	(\$63.4)	(17.1%)
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$408.1	\$410.2	\$2.2	0.5%
<b>Total, All Articles</b>	<b>\$112,268.1</b>	<b>\$119,154.1</b>	<b>\$6,886.1</b>	<b>6.1%</b>

## NOTES:

- (1) Estimated/Budgeted amounts for the 2020–21 biennium include supplemental spending adjustments pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.
- (2) Appropriated amounts for the 2022–23 biennium include adjustments pursuant to Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; and House Bill 5 and House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021.
- (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 5  
FUNDING BY ARTICLE, GENERAL REVENUE–DEDICATED FUNDS**



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

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

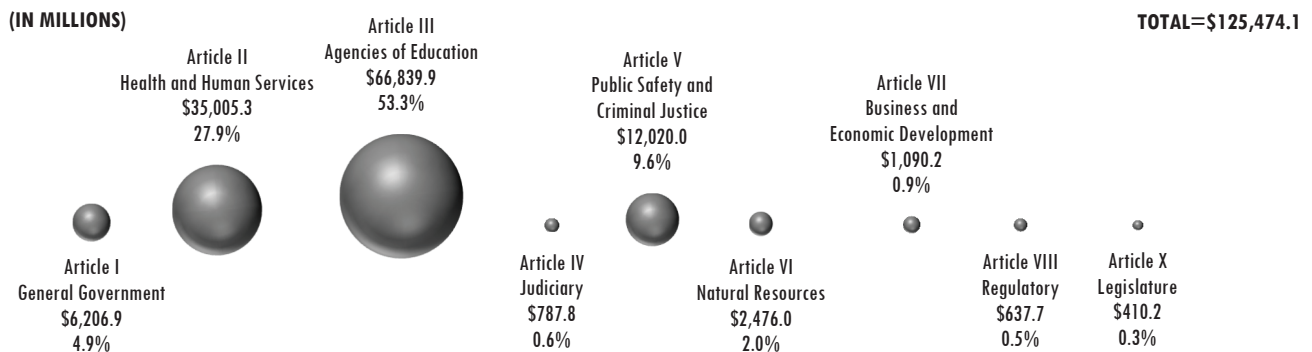
(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21 (1)	APPROPRIATED 2022–23 (2)	BIENNIAL CHANGE	PERCENTAGE CHANGE
<b>ALL FUNCTIONS</b>				
Article I – General Government	\$855.5	\$612.7	(\$242.8)	(28.4%)
Article II – Health and Human Services	\$515.8	\$558.1	\$42.3	8.2%
Article III – Agencies of Education	\$2,785.2	\$2,806.1	\$20.9	0.7%
<i>Public Education</i>	\$0.0	\$0.0	\$0.0	N/A
<i>Higher Education</i>	\$2,785.2	\$2,806.1	\$20.9	0.7%
Article IV – Judiciary	\$191.2	\$194.7	\$3.6	1.9%
Article V – Public Safety and Criminal Justice	\$56.4	\$50.5	(\$5.9)	(10.5%)
Article VI – Natural Resources	\$1,330.1	\$1,167.8	(\$162.3)	(12.2%)
Article VII – Business and Economic Development	\$622.8	\$599.5	(\$23.3)	(3.7%)
Article VIII – Regulatory	\$248.9	\$330.5	\$81.6	32.8%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A
<b>Total, All Articles</b>	<b>\$6,605.9</b>	<b>\$6,319.9</b>	<b>(\$286.0)</b>	<b>(4.3%)</b>

NOTES:

- (1) Estimated/Budgeted amounts for the 2020–21 biennium include supplemental spending adjustments pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.
- (2) Appropriated amounts for the 2022–23 biennium include adjustments pursuant to Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; and House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021.
- (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 7**  
**FUNDING BY ARTICLE, GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS**



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

SOURCE: Legislative Budget Board.

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

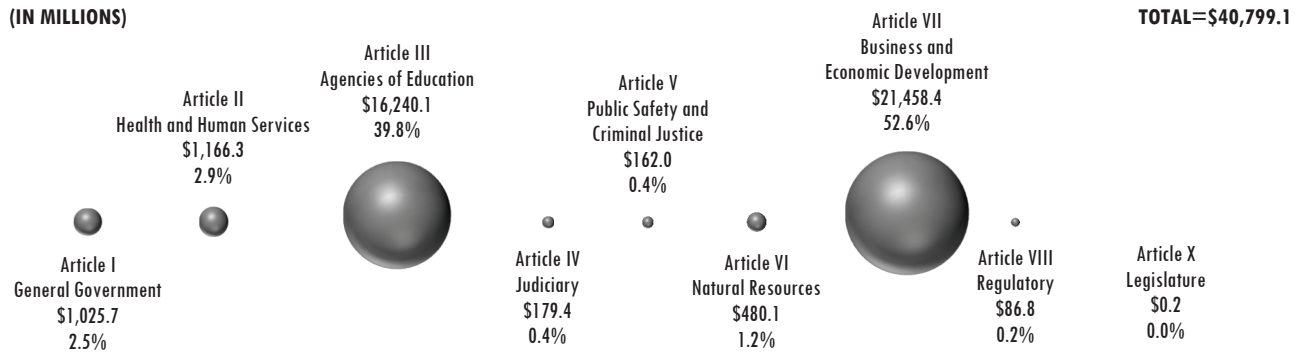
(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21 (1)	APPROPRIATED 2022–23 (2)	BIENNIAL CHANGE	PERCENTAGE CHANGE
<b>ALL FUNCTIONS</b>				
Article I – General Government	\$5,980.4	\$6,206.9	\$226.5	3.8%
Article II – Health and Human Services	\$33,283.8	\$35,005.3	\$1,721.5	5.2%
Article III – Agencies of Education	\$63,425.2	\$66,839.9	\$3,414.8	5.4%
<i>Public Education</i>	\$44,843.9	\$47,326.6	\$2,482.7	5.5%
<i>Higher Education</i>	\$18,581.2	\$19,513.3	\$932.1	5.0%
Article IV – Judiciary	\$745.0	\$787.8	\$42.8	5.7%
Article V – Public Safety and Criminal Justice	\$10,989.4	\$12,020.0	\$1,030.6	9.4%
Article VI – Natural Resources	\$2,278.9	\$2,476.0	\$197.1	8.6%
Article VII – Business and Economic Development	\$1,143.7	\$1,090.2	(\$53.5)	(4.7%)
Article VIII – Regulatory	\$619.6	\$637.7	\$18.2	2.9%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$408.1	\$410.2	\$2.2	0.5%
<b>Total, All Articles</b>	<b>\$118,874.0</b>	<b>\$125,474.1</b>	<b>\$6,600.1</b>	<b>5.6%</b>

NOTES:

- (1) Estimated/Budgeted amounts for the 2020–21 biennium include supplemental spending adjustments pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.
- (2) Appropriated amounts for the 2022–23 biennium include adjustments pursuant to Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; and House Bill 5 and House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021.
- (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 9  
FUNDING BY ARTICLE, OTHER FUNDS**



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

**FIGURE 10  
FUNDING BY ARTICLE, OTHER FUNDS**

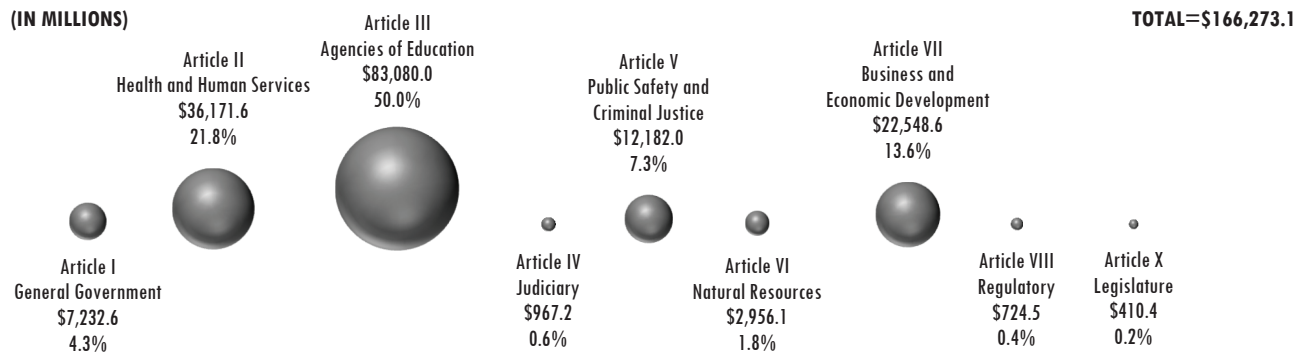
(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21 (1)	APPROPRIATED 2022–23 (2)	BIENNIAL CHANGE	PERCENTAGE CHANGE
<b>ALL FUNCTIONS</b>				
Article I – General Government	\$2,016.6	\$1,025.7	(\$990.8)	(49.1%)
Article II – Health and Human Services	\$2,083.3	\$1,166.3	(\$917.0)	(44.0%)
Article III – Agencies of Education	\$15,746.3	\$16,240.1	\$493.8	3.1%
<i>Public Education</i>	\$12,393.8	\$13,141.0	\$747.1	6.0%
<i>Higher Education</i>	\$3,352.4	\$3,099.1	(\$253.3)	(7.6%)
Article IV – Judiciary	\$237.1	\$179.4	(\$57.7)	(24.3%)
Article V – Public Safety and Criminal Justice	\$289.9	\$162.0	(\$127.9)	(44.1%)
Article VI – Natural Resources	\$2,495.0	\$480.1	(\$2,014.9)	(80.8%)
Article VII – Business and Economic Development	\$22,018.7	\$21,458.4	(\$560.3)	(2.5%)
Article VIII – Regulatory	\$91.7	\$86.8	(\$4.9)	(5.4%)
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$0.1	\$0.2	\$0.1	58.6%
<b>Total, All Articles</b>	<b>\$44,978.7</b>	<b>\$40,799.1</b>	<b>(\$4,179.6)</b>	<b>(9.3%)</b>

NOTES:

- (1) Estimated/Budgeted amounts for the 2020–21 biennium include supplemental spending adjustments pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.
- (2) Appropriated amounts for the 2022–23 biennium include adjustments pursuant to Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021; and Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021.
- (3) Excludes Interagency Contracts.
- (4) 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**  
**FUNDING BY ARTICLE, GENERAL REVENUE FUNDS, GENERAL REVENUE–DEDICATED FUNDS, AND OTHER FUNDS**



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

SOURCE: Legislative Budget Board.

**FIGURE 12**  
**FUNDING BY ARTICLES, GENERAL REVENUE FUNDS, GENERAL REVENUE–DEDICATED FUNDS, AND OTHER FUNDS**

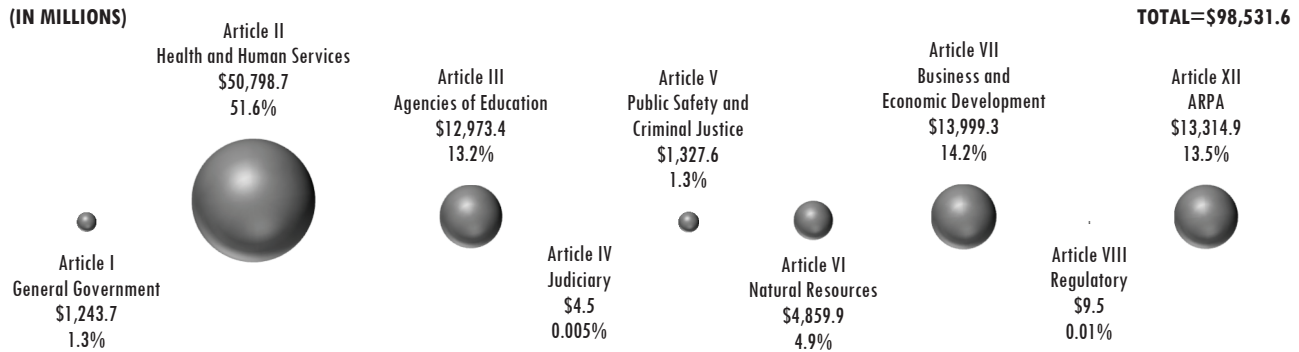
(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21 (1)	APPROPRIATED 2022–23 (2)	BIENNIAL CHANGE	PERCENTAGE CHANGE
<b>ALL FUNCTIONS</b>				
Article I – General Government	\$7,997.0	\$7,232.6	(\$764.3)	(9.6%)
Article II – Health and Human Services	\$35,367.1	\$36,171.6	\$804.5	2.3%
Article III – Agencies of Education	\$79,171.4	\$83,080.0	\$3,908.6	4.9%
<i>Public Education</i>	\$57,237.8	\$60,467.6	\$3,229.8	5.6%
<i>Higher Education</i>	\$21,933.7	\$22,612.4	\$678.8	3.1%
Article IV – Judiciary	\$982.1	\$967.2	(\$14.9)	(1.5%)
Article V – Public Safety and Criminal Justice	\$11,279.3	\$12,182.0	\$902.7	8.0%
Article VI – Natural Resources	\$4,773.9	\$2,956.1	(\$1,817.8)	(38.1%)
Article VII – Business and Economic Development	\$23,162.4	\$22,548.6	(\$613.8)	(2.7%)
Article VIII – Regulatory	\$711.3	\$724.5	\$13.3	1.9%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$408.2	\$410.4	\$2.2	0.5%
<b>Total, All Articles</b>	<b>\$163,852.7</b>	<b>\$166,273.1</b>	<b>\$2,420.4</b>	<b>1.5%</b>

NOTES:

- (1) Estimated/Budgeted amounts for the 2020–21 biennium include supplemental spending adjustments pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.
- (2) Appropriated amounts for the 2022–23 biennium include adjustments pursuant to Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; and House Bill 5 and House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021.
- (3) Excludes Interagency Contracts.
- (4) 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  
FUNDING BY ARTICLE, FEDERAL FUNDS**



NOTE: Object size is proportional to the percentage of Federal Funds appropriations for all articles.  
SOURCE: Legislative Budget Board.

**FIGURE 14  
FUNDING BY ARTICLE, FEDERAL FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21 (1)	APPROPRIATED 2022–23 (2)	BIENNIAL CHANGE	PERCENTAGE CHANGE
<b>ALL FUNCTIONS</b>				
Article I – General Government	\$1,608.0	\$1,243.7	(\$364.3)	(22.7%)
Article II – Health and Human Services	\$62,074.4	\$50,798.7	(\$11,275.7)	(18.2%)
Article III – Agencies of Education	\$16,526.0	\$12,973.4	(\$3,552.6)	(21.5%)
<i>Public Education</i>	\$12,249.3	\$11,935.3	(\$314.1)	(2.6%)
<i>Higher Education</i>	\$4,276.6	\$1,038.1	(\$3,238.5)	(75.7%)
Article IV – Judiciary	\$4.4	\$4.5	\$0.2	3.5%
Article V – Public Safety and Criminal Justice	\$2,443.5	\$1,327.6	(\$1,115.9)	(45.7%)
Article VI – Natural Resources	\$6,917.6	\$4,859.9	(\$2,057.6)	(29.7%)
Article VII – Business and Economic Development	\$16,904.6	\$13,999.3	(\$2,905.3)	(17.2%)
Article VIII – Regulatory	\$9.3	\$9.5	\$0.2	2.3%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A
<b>Total, Articles I–X</b>	<b>\$106,487.8</b>	<b>\$85,216.7</b>	<b>(\$21,271.1)</b>	<b>(20.0%)</b>
Article XII – American Rescue Plan Act of 2021 (ARPA)		\$13,314.9		
<b>Total, All Articles</b>	<b>\$106,487.8</b>	<b>\$98,531.6</b>	<b>(\$7,956.2)</b>	<b>(7.5%)</b>

NOTES:

- (1) Estimated/Budgeted amounts for the 2020–21 biennium include supplemental spending adjustments pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.
- (2) Appropriated amounts for the 2022–23 biennium include adjustments pursuant to Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021; and Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021.
- (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 STATE BUDGET

For the 2022–23 biennium, funding includes the following key budget items:

### FOUNDATION SCHOOL PROGRAM

- Funding of \$51.7 billion in All Funds is included for state aid to school districts and charter schools through the Foundation School Program (FSP). Appropriations from General Revenue Funds for the FSP total \$38.9 billion, which represents an increase of \$1.3 billion from the 2020–21 biennium.
- Funding for the FSP fully funds current law and includes an estimated \$3.0 billion for student enrollment growth and \$1.1 billion in additional state aid related to property tax compression pursuant to the Texas Education Code.
- Appropriations for property tax compression include \$100.0 million in General Revenue Funds to implement the provisions of Senate Bill 8, Eighty-seventh Legislature, Second Called Session, 2021, relating to the authority of an individual who acquires a residence homestead to receive an ad valorem tax exemption for the homestead in the year in which the property is acquired and to the protection of school districts against the resulting loss in revenue.
- Appropriations from Other Funds for the FSP increased by \$1.3 billion, attributable to projected increases of \$475.6 million in recapture payments, \$1.2 billion from the Property Tax Relief Fund, and \$286.7 million from the Tax Reduction and Excellence in Education Fund, offset by a decrease of \$636.0 million from the Economic Stabilization Fund related to onetime funding provided to address the effects of Hurricane Harvey.

### MEDICAID

- Funding for the 2022–23 biennium includes \$68.7 billion in All Funds, including \$25.2 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 \$5.4 billion in All Funds, but a \$0.9 billion increase in General Revenue Funds, compared to 2020–21 biennial levels.
- Included in these amounts is \$64.1 billion in All Funds for Medicaid client services, \$1.7 billion in All

Funds for programs supported by Medicaid funding, and \$2.8 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 \$5.1 billion decrease in All Funds for Medicaid client services and a \$0.5 billion decrease in All Funds for administrative funding, offset by 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 2020–21 biennial amounts for Medicaid include adjustments to address supplemental needs to complete fiscal year 2021 expenditures.

### TRANSPORTATION

- Funding provides \$30.2 billion in All Funds for all functions at the Department of Transportation. Estimated funding for the 2022–23 biennium includes \$19.5 billion in Other Funds from all State Highway Fund (SHF) revenue sources, which includes the following amounts: \$9.1 billion from traditional SHF tax and fee revenue sources; \$5.1 billion from anticipated state sales tax and motor vehicle sales and rental tax deposits to the SHF (Proposition 7, 2015); \$4.5 billion from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014); and \$0.7 billion from SHF regional toll project and concession fee revenue.
- Funding provides \$26.5 billion in All Funds for highway planning and design, right-of-way acquisition, construction, and maintenance and preservation. The All Funds amount includes \$9.3 billion in Federal Funds; \$7.2 billion from traditional SHF revenue sources; \$4.5 billion from Proposition 7, 2015, proceeds and \$4.5 billion from Proposition 1, 2014, proceeds for constructing, maintaining,

and acquiring rights-of-way for nontolled public roadways; \$0.7 billion from SHF regional toll project revenues; and \$0.2 billion in Other Funds from the Texas Mobility Fund.

- Funding provides \$2.2 billion in All Funds for debt service payments and other financing costs, including \$1.5 billion in Other Funds from traditional SHF sources (\$792.9 million) and the Texas Mobility Fund (\$755.1 million); \$546.3 million in Other Funds from Proposition 7, 2015, SHF proceeds for General Obligation bond debt service; and \$123.3 million in Federal Funds from Build America Bond interest payment subsidies.

## **DISASTER RECOVERY, INFRASTRUCTURE RESILIENCY, AND FLOOD INFRASTRUCTURE**

- For the 2020–21 biennium, approximately \$8.6 billion was included for Hurricane Harvey disaster response in All Funds. The Eighty-sixth Legislature, 2019, provided \$4.5 billion in All Funds to the General Land Office (GLO) and Veterans' Land Board for the Disaster Recovery Program, including funds in response to Hurricane Harvey. The Texas Division of Emergency Management (TDEM) was appropriated \$3.5 billion in All Funds for disaster response, recovery, and mitigation. The Texas Education Agency was appropriated \$636.0 million to provide additional rate aid to districts affected by Hurricane Harvey.
- For the 2022–23 biennium, \$984.0 million in Federal Funds is included for Hurricane Harvey disaster response, including the following amounts:
  - \$713.8 million in Public Assistants Grants at TDEM, GLO, and the Department of Public Safety (DPS); and
  - \$270.2 million in Hazard Mitigation Grants at TDEM and DPS to implement hazard reduction strategies in areas affected by Hurricane Harvey.

These amounts represent disaster-related funding in Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021.

## **BEHAVIORAL HEALTH**

- Funding includes \$4.3 billion in All Funds, including \$3.4 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 25 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 \$3.7 billion in All Funds for the 2022–23 biennium. CHIP expenditures are estimated to total \$98.9 million in All Funds. Total behavioral health-related funding, including estimated Medicaid and CHIP expenditures, is estimated to be \$8.1 billion in All Funds for the biennium.
- House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, provides the Health and Human Services Commission (HHSC) with an additional \$321.3 million in Other Funds from the Economic Stabilization Fund during fiscal year 2021 to continue improvements to the state mental health hospital inpatient system. These funds are not included in the totals described previously, although they are appropriated for a two-year period and it is likely that HHSC will spend the majority of the funds during the 2022–23 biennium.

## **CHILD PROTECTIVE SERVICES**

- Funding of \$4.0 billion in All Funds, including \$2.3 billion in General Revenue Funds, is provided for all Child Protective Services (CPS) functions at the Department of Family and Protective Services. This amount is an increase of \$281.7 million in All Funds, including \$495.6 million in General Revenue Funds, from the 2020–21 biennial base.
- CPS funding includes \$2.1 billion in All Funds, including \$1.0 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 \$90.0 million in General Revenue Funds for foster care capacity building pursuant to

House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021.

- Funding includes \$1.7 billion in All Funds, including \$1.1 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 2020 for Stage II in Regions 3B and 2 and Stage I in Region 1, and a full biennium of funding for CBC expansion into Stage I in Region 8B. This amount also provides funding to expand CBC into Stage II in Regions 8B and 1, and into Stage I in Regions 3E, 4, 5, and 9. In addition, funding provides for an additional 253.0 caseworker positions and related staff in fiscal year 2022 and 312.0 positions in fiscal year 2023.

## HIGHER EDUCATION FORMULA FUNDING

- Higher education formulas are supported by \$6.8 billion in General Revenue Funds and \$1.7 billion in General Revenue–Dedicated Funds. Included in these amounts are increases of \$486.1 million in General Revenue Funds and a decrease of \$10.4 million in General Revenue–Dedicated Funds, which is primarily statutory tuition.
- Funding for the general academic institutions (GAI) Instruction and Operations (I&O) formula is provided at \$55.66 per weighted semester credit hour, a \$0.19 decrease from the 2020–21 biennium. Funding for the GAI Infrastructure formula maintains the 2020–21 biennial rate of \$5.47 per predicted square foot. Funding for the formulas for health-related institutions (HRI) I&O, Infrastructure Support, and Graduate Medical Education is maintained at 2020–21 biennial rates. The HRI Research Enhancement formula rate decreases slightly from 1.18 percent to 1.17 percent of total research expenditures.
- In addition to the increased funding for the four main HRI formulas, \$75.9 million in General Revenue Funds are reallocated from Nonformula Support Item funding to establish four mission-specific formulas for the Texas A&M University System Health Science Center, University of North Texas Health Science Center at Fort Worth, Texas Tech University Health Sciences Center, and Texas Tech University Health Sciences Center at El Paso.

## TEACHER RETIREMENT AND HEALTH BENEFITS

- Funding of \$5.0 billion in All Funds is included for the state contribution to retirement benefits of the Teacher Retirement System of Texas (TRS), including \$4,961.1 million in General Revenue Funds, \$52.4 million in General Revenue–Dedicated Funds, and \$9.4 million in Other Funds from the Teacher Retirement System Trust Fund. Funding amounts represent a state contribution rate of 7.75 percent of employee payroll for fiscal year 2022 and 8.0 percent of payroll for fiscal year 2023, increases from the required 7.5 percent of payroll for each year of the 2020–21 biennium, pursuant to Senate Bill 12, Eighty-sixth Legislature, 2019. Retiree health insurance funding totals \$897.6 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 2022–23 biennium.
- Funding includes \$701.1 million in General Revenue Funds to provide a onetime additional annuity payment to TRS retirees.
- Funding for TRS assumes 2.5 percent annual public and higher education payroll for retirement and 2.0 percent annual payroll growth for TRS-Care.

## ADULT CORRECTIONS

- Funding of \$6,858.2 million in All Funds, including \$6,216.6 million in General Revenue Funds and General Revenue–Dedicated Funds, is included in the General Appropriations Act 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. Funding for correctional managed healthcare (CMHC) totals \$1,334.6 million. Total All Funds amounts decreased by \$391.3 million from the 2020–21 biennium.
- The Eighty-seventh Legislature, Regular Session, 2021, increased appropriations by \$98.3 million, including \$60.0 million for correctional managed healthcare, \$34.1 million for a 3.0 percent pay increase for correctional officers working in

- maximum security facilities, \$1.9 million for academic and vocational training, \$1.0 million for reentry services, and \$1.3 million for law enforcement salaries. The Legislature also decreased appropriations from General Revenue Funds for fiscal year 2022 by \$540.0 million, and increased appropriations from Federal Funds by \$540.0 million for fiscal year 2022. These amounts include \$66.4 million in benefits appropriated elsewhere.
- House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, adds \$273.7 million in General Revenue Funds for the 2022–23 biennium for border security and agency operations. Of this amount, \$250.0 million directly offsets a transfer to the Office of the Governor, as authorized in a June 16, 2021, letter from the Governor and legislative leadership.
  - Funding decreased by \$9.0 million from 2020–21 biennial levels to fund basic supervision and parole supervision at the Legislative Budget Board’s January 2021 projections.
  - Funding also incorporates a decrease of \$4.0 million in General Revenue Funds for a budget execution order issued November 19, 2021, relating to the transfer of funds from TDCJ to the Secretary of State.
  - Projected felony direct community supervision populations are 149,256 for fiscal year 2022 and 151,948 for fiscal year 2023. Projected incarceration populations are 139,019 for fiscal year 2022 and 138,545 for fiscal year 2023. Projected parole populations are 83,373 for fiscal year 2022 and 84,666 for fiscal year 2023.
  - House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, provides TDCJ with an increase of the following amounts for fiscal year 2021:
    - \$123.7 million in General Revenue Funds to fund a shortfall in CMHC expenditures;
    - \$86.0 million in General Revenue Funds to address a shortfall in agency operations and parole supervision;
    - \$21.5 million to update the inmate healthcare electronic medical record for CMHC information technology;
    - \$105.5 million in General Revenue Funds for the repair and renovation of correctional facilities; and
    - \$14.1 million for agency vehicles.
  - House Bill 2 also includes a decrease of \$1,446.4 million in General Revenue Funds, including \$282.5 million for benefits, contingent on the receipt of federal funding through the Coronavirus Aid, Relief, and Economic Security Act in fiscal year 2021, and the previously determined decrease in General Revenue Funds related to the 5.0 percent reduction directed by state leadership.

## BORDER SECURITY

- Funding of \$2,926.3 million in All Funds is provided for border security at 13 state agencies across several articles of government. Senate Bill 1 and House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, contain \$1,013.4 million and \$110.3 million for this purpose, respectively. House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, includes an additional \$1,802.6 million for border security. The majority of the total funding, \$1,375.2 million, supports the activities of the Trusteed Programs within the Office of the Governor. The total amount includes an estimated \$71.0 million across several agencies that received salary adjustments in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium, Article IX, for law enforcement officers in Salary Schedule C.
- Legislation increases funding for the Trusteed Programs within the Office of the Governor’s border security activities. Funding in Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, maintains grant programs for border prosecution, anti-gang programs, and the National Incident Based Crime Reporting System. An additional \$50.0 million in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, is included to support border security operations. House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, includes an additional \$1,020.3 million for border security-related grants, including those that can be used to construct fencing on privately owned land in border counties and to support local law enforcement initiatives. House Bill 9 also reimburses

\$250.0 million that was transferred from the Texas Department of Criminal Justice (TDCJ) to the Office of the Governor to extend the border wall.

- Border security funding maintains support for the Department of Public Safety (DPS) personnel at full deployment levels and eliminates onetime 2020–21 biennial funding for a tactical training facility in Cameron County. Significant funding in Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, includes the following items: \$671.1 million in biennial baseline border security funding, including an expanded work week for all DPS' commissioned law enforcement officers, and costs for select Texas Rangers; \$56.7 million for 100 additional border security troopers and an additional recruit school; \$9.3 million for anti-human-trafficking and anti-gang activities; \$7.0 million for Operation Drawbridge camera maintenance; and \$0.5 million for the Texas Transnational Intelligence Center. Border security funding in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, includes \$8.9 million for vehicles and \$29.1 million for new equipment. Significant funding items in House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, include \$133.5 million for Operation Lone Star, \$3.4 million for tactical marine unit vessels, and \$17.9 million for 79.0 additional full-time-equivalent positions for border security-related purposes.
- Legislation includes border security funding for Operation Lone Star at the Texas Military Department. Senate Bill 1 and House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, include \$88.6 million and \$22.3 million, respectively, and House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, includes \$301.0 million for this purpose. Senate Bill 1 also provides \$29.0 million to the Parks and Wildlife Department for game warden activities in border counties and funding for investigations, prosecutions, and other border security-related activities across several state agencies.
- House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, also provides funding for ambulance services at the Department of State Health Services, for indigent defense and interpreters at the Office of Court Administration, and for holding individuals at facilities operated by TDCJ.

## TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR

- Funding for the Truusted Programs within the Office of the Governor totals \$2,704.3 million in All Funds for the 2022–23 biennium, an increase of \$909.6 million, or 50.7 percent, from the 2020–21 biennium.
- Funding of \$150.6 million in Other Funds from the Economic Stabilization Fund, primarily provided for disaster grants, is not continued in the 2022–23 biennium.
- Funding for disaster grants includes \$110.0 million in General Revenue Funds, which is an increase of \$76.0 million from the 2020–21 biennium. The total amount includes \$80.0 million in General Revenue Funds and \$30.0 million in anticipated unexpended balances to be carried forward from the 2020–21 biennium to the 2022–23 biennium. In addition, appropriations in House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, provide a total of \$1,020.3 million in General Revenue Funds for disaster grants related to border security.
- Funding for economic development and jobs creation is included in the agency's bill pattern in Strategy C.1.1, Create Jobs and Promote Texas, which includes programs for economic development, tourism, film and music marketing, the Texas Enterprise Fund, military community support, and the Governor's University Research Initiative. Funding in the strategy for various economic development programs totals \$332.0 million in All Funds for the 2022–23 biennium, including the following amounts:
  - \$100.0 million in estimated unexpended balances remaining at the end of fiscal year 2021 in the Texas Enterprise Fund for incentive grants, a decrease of \$77.2 million in General Revenue–Dedicated Funds;
  - \$40.0 million in estimated unexpended balances remaining at the end of fiscal year 2021 in the General Revenue–Dedicated Account No. 5161, Governor's University Research Initiative, for recruitment grants, a decrease of \$5.2 million in General Revenue–Dedicated Funds;
  - \$69.5 million in General Revenue Funds from Hotel Occupancy Tax deposits for tourism

promotion, a decrease of \$42.5 million in General Revenue Funds; and

- \$10.0 million in General Revenue Funds for the Spaceport Trust Fund.
- Not included in previous amounts, Trusteed Programs is appropriated funding from the Coronavirus Relief Fund for provisions specified in Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, including the following funding amounts:
  - \$180.0 million for grants for tourism, travel, and hospitality industry recovery;
  - \$1.2 million for information technology case management system improvements for children's advocacy centers; and
  - \$160.0 million for grants for victims of crime.

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

- Funding of \$1,390.8 million in All Funds, including \$949.3 million in General Revenue Funds and General Revenue–Dedicated Funds, is provided for the state contribution to the Employees Retirement System of Texas retirement program. This amount is an increase of \$37.7 million in All Funds, and a decrease of \$19.6 million in General Revenue Funds and General Revenue–Dedicated Funds, for state employees' retirement benefits, due to assuming 0.5 percent annual payroll growth for fiscal years 2022 and 2023. Funding provides for a 9.5 percent state contribution rate for each fiscal year of the 2022–23 biennium. Funding also continues 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 the fiscal year ending August 31, 2054. House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, made supplemental appropriations to ERS for the 2020–21

biennium of \$1,020.0 million in All Funds for part of these legacy payments.

- Funding of \$4.1 billion in All Funds, including \$2.9 billion in General Revenue Funds and General Revenue–Dedicated Funds, is provided for the state contribution for group insurance benefits for general state employees, retirees, and their dependents. The funding is an increase of \$167.9 million in All Funds, including \$44.6 million in General Revenue Funds and General Revenue–Dedicated Funds, prompted by assumed active and retired member growth. Funding does not provide a per-member contribution rate increase and instead relies upon the agency spending down the contingency reserve fund, which has achieved historically high fund balances due to savings in health plan contracts.
- Funding of \$144.5 million in General Revenue Funds is provided for health insurance contributions for local community supervision and correction department employees, retirees, and dependents who also participate in the state's Group Benefits Program. The funding provides an increase of \$1.2 million.
- Funding of \$1.9 billion in All Funds, including \$1.5 billion in General Revenue Funds and General Revenue–Dedicated Funds, is provided for the state contribution for Social Security payroll taxes for employees of state agencies and institutions of higher education, an increase of \$69.3 million in All Funds, including \$20.2 million in General Revenue Funds and General Revenue–Dedicated Funds. The funding is sufficient to provide the 6.2 percent Social Security employer contribution and the 1.45 percent Medicare employer contribution. Funding assumes 0.5 percent annual payroll growth for state agency employees and 2.5 percent annual payroll growth for higher education employees in fiscal years 2022 and 2023.
- Funding provides for 219,748.9 full-time-equivalent (FTE) positions for fiscal year 2022, and 219,525.8 positions for fiscal year 2023. The number of FTE positions for fiscal year 2023 is an increase of 3,804.6 positions from fiscal year 2021 budgeted levels.

### **DEBT SERVICE**

Funding for the 2022–23 biennium fully funds debt service and totals \$4.3 billion in All Funds. This amount is an

increase of \$21.6 million from the 2020–21 biennium. Funding provides for debt service for General Obligation and revenue debt issued, or expected to be issued, by the Texas Public Finance Authority, the Texas Facilities Commission, the Texas Water Development Board, the Texas Department of Transportation, and the Office of the Governor. Funding also provides 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 \$74.4 billion in financial support to help respond to and mitigate the impact of the COVID-19 pandemic: the Coronavirus Preparedness and Response Supplemental Appropriations Act; the Families First Coronavirus Response Act; the Coronavirus Aid, Relief, and Economic Security Act; the Paycheck Protection Program and Healthcare Enhancement Act; the Coronavirus Response and Relief Supplemental Appropriations Act; and the American Rescue Plan Act. Texas' funding from the six acts includes the following amounts: \$594.5 million for the Governor's Emergency Education Relief Fund (GEERF I and II); \$8.1 billion for the Coronavirus Relief Fund; \$8.0 billion in Public Assistance Grants; \$12.4 billion in Elementary and Secondary School Emergency Relief Funds (ESSER I, II, and III); \$4.3 billion in Higher Education Emergency Relief Funds (HEERF I, II, and III); and \$3.7 billion in Public Health Grants.

The Eighty-seventh Legislature, Third Called Session, 2021, appropriated \$13.3 billion from the federal Coronavirus State Fiscal Recovery Fund (\$12.8 billion) and the Coronavirus Capital Projects Fund (\$500.5 million) awarded to the state through the American Rescue Plan Act. The funds were appropriated in 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 victims assistance, sexual assault, crime victims 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 TRS-ActiveCare and TRS-Care claims related to the COVID-19 pandemic;
- \$200.0 million for cybersecurity projects;
- \$180.0 million for tourism, travel, and hospitality; and
- \$816.1 million for various other purposes.

The remaining \$24.0 billion of Texas' federal awards will be provided to the state for various purposes including food and nutrition services, rental and homeowner assistance, transportation, and childcare and other support grants, among others. The majority of the remaining funds must be obligated by the end of calendar year 2024 and expended by the end of calendar year 2026.

### **ECONOMIC STABILIZATION FUND**

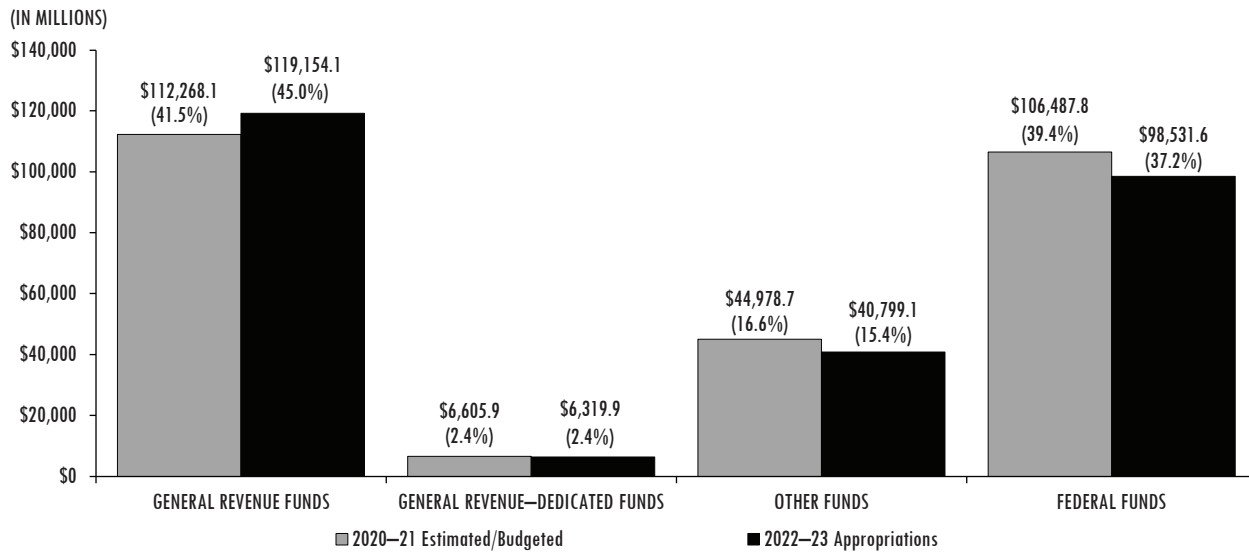
No appropriations from the Economic Stabilization Fund are included for the 2022–23 biennium. House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, the supplemental appropriations bill, includes \$531.1 million in fiscal year 2021 appropriations from the fund. The resulting cash balance of the fund plus the total asset value of investments is estimated to be \$12.6 billion at the end of fiscal year 2023.

## BIENNIAL COMPARISON BY FUND SOURCE

Figure 15 shows a comparison of biennial amounts for each of the four fund sources, or methods of finance, in the state budget. Estimated and budgeted amounts for the 2020–21 biennium refer to agency-estimated expenditures for fiscal

year 2020 and agency-budgeted amounts for fiscal year 2021. Appropriations for the 2022–23 biennium refer to biennial amounts contained in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium, and supplemental appropriations. Percentage amounts represent the percentage of the entire biennial budget represented by that fund source.

**FIGURE 15**  
**BIENNIAL COMPARISON BY FUND SOURCE OF 2020–21 ESTIMATED/BUDGETED AND 2022–23 APPROPRIATED AMOUNTS**



**NOTES:**

- (1) Estimated/Budgeted amounts for the 2020–21 biennium include supplemental spending adjustments pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.
- (2) Appropriated amounts for the 2022–23 biennium include adjustments pursuant to Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; House Bill 5 and House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; and Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021.
- (3) Other Funds excludes Interagency Contracts.
- (4) Totals may not sum due to rounding.

SOURCE: Legislative Budget Board.



## APPROPRIATED, ESTIMATED, AND BUDGETED FUNDS COMPARISON

During each biennium, circumstances may result in variances to state agency expenditures (i.e., estimated and budgeted amounts) from the amounts appropriated by the Legislature. Typically, these variances result from changes in population, client demands, or unforeseen events such as natural disasters, changes to federal formulas, grant requirements, or increased or decreased 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 expended and budgeted amounts for the 2020–21 biennium increased by approximately \$17.4 billion, or 6.4 percent, in All Funds. This amount consists of a net decrease of \$5.6 billion (4.7 percent) in General Revenue Funds and General Revenue–Dedicated Funds, and a net increase of \$23.0 billion (15.2 percent) in other funding sources (Federal Funds and Other Funds). **Figure 16** shows the most significant changes.

**FIGURE 16**  
**RECONCILIATION OF INITIAL 2020–21 BIENNIAL APPROPRIATIONS TO 2020–21 ESTIMATED AND BUDGETED AMOUNTS**

(IN MILLIONS)	GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS		ALL FUNDS
ADJUSTMENTS			
2020–21 Biennial Appropriations as Published in the Fiscal Size-up	\$124,479.3		\$248,313.8
<b>BUDGET ADJUSTMENTS</b>			
<b>General Government</b>			
Employees Retirement System of Texas (ERS): supplemental appropriations from General Revenue Funds (\$679.6 million), General Revenue–Dedicated Funds (\$52.0 million), Federal Funds (\$171.4 million), the State Highway Fund (\$104.0 million), and other special state funds (\$14.3 million) for legacy payments for the unfunded liability of the ERS system	\$731.6		\$1,021.3
Fiscal Programs within the Office of the Comptroller of Public Accounts: supplemental appropriations from General Revenue Funds for the Guaranteed Tuition plan	\$271.2		\$271.2
Texas Facilities Commission (TFC): supplemental appropriations from the Economic Stabilization Fund for the completion of the Capital Complex Phase I construction project (\$36.3 million) and for a flexible-space office building (\$40.0 million)	\$0.0		\$76.3
TFC: supplemental appropriations from General Revenue Funds for deferred maintenance	\$76.5		\$76.5
Trusted Programs within the Office of the Governor: unexpended balances from fiscal year 2019	\$246.1		\$440.8
Trusted Programs within the Office of the Governor: supplemental appropriations from General Revenue Funds for border security operations	\$50.0		\$50.0
Office of the Attorney General: supplemental appropriations from General Revenue Funds (\$19.7 million), Federal Funds (\$45.1 million), and Other Funds from Interagency Contracts (\$0.1 million) for information technology modernization projects	\$19.7		\$65.0
Secretary of State: Federal Funds for Help America Vote Act Election Security grants	\$0.0		\$50.5
<b>Health and Human Services</b>			
Health and Human Services Commission (HHSC): decrease in General Revenue Funds (\$452.1 million) and Other Funds from Interagency Contracts (\$57.8 million) and an increase in Federal Funds (\$8,283.3 million) for adjustments to Medicaid and Children’s Health Insurance Program client services	(\$452.1)		\$7,773.4
HHSC: unexpended balances of Other Funds from fiscal year 2019 for hospital construction	\$0.0		\$360.9
HHSC: increase in Federal Funds to respond to the COVID-19 pandemic, including Provider Relief Funds at State Supported Living Centers and State Hospitals	\$0.0		\$100.9
HHSC: supplemental appropriations of General Revenue Funds (\$153.2 million), Federal Funds (\$333.3 million), and Other Funds (\$344.9 million) and Interagency Contracts (\$8.4 million)	\$153.2		\$839.9

**FIGURE 16 (CONTINUED)**  
**RECONCILIATION OF INITIAL 2020–21 BIENNIAL APPROPRIATIONS TO 2020–21 ESTIMATED AND BUDGETED AMOUNTS**

(IN MILLIONS)	GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS	ALL FUNDS
<b>BUDGET ADJUSTMENTS</b>		
<b>Health and Human Services (continued)</b>		
HHSC: supplemental appropriations of Federal Funds to decrease appropriations from General Revenue Funds through Coronavirus Relief Fund (CRF) salary adjustments	(\$182.6)	\$0.0
Department of State Health Services (DSHS): increase in General Revenue Funds (\$50.0 million) and Federal Funds (\$1,832.0 million) for response to the COVID-19 pandemic, including transfers from HHSC	\$50.0	\$1,882.0
DSHS: increase in Federal Funds from Coronavirus Relief Funds	\$0.0	\$2,103.5
Department of Family and Protective Services (DFPS): decrease in General Revenue Funds (\$51.0 million) and an increase in Federal Funds (\$24.9 million) for adjustments to client services programs for day care, adoption subsidy and permanency care assistance payments, relative caregiver payments, and foster care	(\$51.0)	(\$26.1)
DFPS: supplemental appropriations of Federal Funds to decrease appropriations from General Revenue Funds through CRF salary adjustments	(\$314.1)	\$0.0
<b>Public and Higher Education</b>		
Teacher Retirement System: decrease in estimated General Revenue Funds (\$97.1 million) and Other Funds (\$0.1 million)	(\$97.1)	(\$97.2)
Optional Retirement Program: increase in estimated General Revenue Funds (\$13.4 million) and General Revenue–Dedicated Funds (\$50.8 million) appropriations	\$64.2	\$64.2
Texas Education Agency (TEA): estimated Foundation School Program appropriations funded with General Revenue Funds decreased by \$5,174.5 million through the operation of entitlement formulas, primarily attributable to greater-than-anticipated local property value growth. General Revenue Funds decreases are offset partially by a \$309.5 million increase in estimated appropriations from the Property Tax Relief Fund, a \$959.5 million increase in estimated appropriations from the Tax Reduction and Excellence in Education Fund, and a \$1,061.6 million increase in estimated recapture payments	(\$5,174.5)	(\$2,843.9)
TEA: unexpended balances from fiscal year 2019 of General Revenue Funds for special education (\$158.4 million) and instructional materials and technology (\$312.7 million) and Other Funds for safe and healthy schools (\$97.0 million)	\$471.1	\$568.1
TEA: decrease in estimated Federal Funds	\$0.0	(\$410.8)
TEA: increase in Federal Funds from the Coronavirus Relief Fund	\$0.0	\$1,934.6
TEA: decrease in General Revenue Funds due to a Technology and Instructional Materials program lapse	(\$56.0)	(\$56.0)
Texas Higher Education Coordinating Board (THECB): decrease in General Revenue Funds due to the 5.0 percent reduction	(\$71.0)	(\$71.0)
THECB: increase in Federal Funds from the Governor's Emergency Education Relief funds allocated to the agency in fiscal year 2021	\$0.0	\$175.0
General Academic Institutions: decrease in General Revenue Funds (\$234.6 million) and General Revenue–Dedicated Funds (\$0.7 million) due to the 5.0 percent reduction	(\$235.3)	(\$235.3)
Health-related Institutions: supplemental appropriations of Federal Funds to decrease appropriations from General Revenue Funds through CRF salary adjustments of \$99.6 million at the University of Texas M.D. Anderson Cancer Center and \$60.4 million at the University of Texas Medical Branch at Galveston	(\$160.0)	\$0.0
Available University Fund: increase in estimated Other Funds appropriations	\$0.0	\$183.7
Texas Division of Emergency Management (TDEM): supplemental appropriation of General Revenue Funds for the purchase of warehouse and staging sites	\$60.0	\$60.0

**FIGURE 16 (CONTINUED)**  
**RECONCILIATION OF INITIAL 2020–21 BIENNIAL APPROPRIATIONS TO 2020–21 ESTIMATED AND BUDGETED AMOUNTS**

(IN MILLIONS)	GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS	ALL FUNDS
<b>BUDGET ADJUSTMENTS</b>		
<b>Public and Higher Education (continued)</b>		
TDEM: decrease in anticipated Federal Funds	\$0.0	(\$143.9)
TDEM: decrease in anticipated Interagency Contracts related to Hurricane Harvey recovery	\$0.0	(\$54.4)
<b>Judiciary</b>		
Supreme Court of Texas: additional Other Funds collected more than amounts appropriated for Basic Civil Legal Services (\$10.7 million) and unexpended balance authority for Basic Civil Legal Services (\$49.1 million)	\$0.0	\$60.2
<b>Public Safety and Criminal Justice</b>		
Department of Public Safety (DPS): supplemental appropriations from General Revenue Funds for vehicles (\$104.6 million) and border equipment (\$29.1 million) and supplemental appropriations from the Economic Stabilization Fund for bullet-resistant windshields (\$22.0 million)	\$133.7	\$155.7
DPS: supplemental appropriations of Federal Funds to decrease appropriations from General Revenue Funds through Coronavirus Relief Fund (CRF) salary adjustments	(\$250.5)	\$0.0
Texas Department of Criminal Justice (TDCJ): supplemental appropriations from General Revenue Funds for Correctional Managed Health Care (\$123.7 million), operations shortfall (\$86.0 million), information technology related to inmate healthcare (\$21.5 million), capital facility needs (\$105.5 million), and vehicles (\$14.1 million)	\$350.7	\$350.7
TDCJ: supplemental appropriations of Federal Funds to decrease appropriations from General Revenue Funds through CRF salary adjustments	(\$1,163.9)	\$0.0
<b>Natural Resources</b>		
General Land Office (GLO): supplemental appropriations from the Economic Stabilization Fund for the Alamo Complex (\$50.0 million); increase in Federal Funds for coastal erosion, housing, and infrastructure projects (\$276.0 million) and increase in Federal Emergency Management Agency reimbursements for the Galveston seawall project (\$15.5 million); unexpended balances from fiscal year 2019 (\$281.4 million); and increase in Appropriated Receipts (\$69.5 million)	\$0.0	\$692.4
GLO: decrease in Federal Funds due to less-than-anticipated expenditures from a Community Development Block Grant for Hurricane Harvey recovery	\$0.0	(\$507.5)
Texas Parks and Wildlife Department: increase in estimated Federal Funds appropriations (\$140.5 million)	\$0.0	\$140.5
Texas State Soil and Water Conservation Board: supplemental appropriations from the Economic Stabilization Fund for dam infrastructure projects	\$0.0	\$150.0
Texas Water Development Board: unexpended balances from fiscal year 2019 in Other Funds	\$0.0	\$1,478.0
Texas Department of Agriculture: increase in expected expenditures of Federal Funds	\$0.0	\$614.7
<b>Business and Economic Development</b>		
Texas Workforce Commission (TWC): increase in estimated Federal Funds (\$520.3 million) and unexpended fiscal year 2019 balances of Federal Funds (\$208.7 million)	\$0.0	\$729.0
TWC: lapses in Federal Funds	\$0.0	(\$188.4)
Texas Department of Housing and Community Affairs: increase in projected Federal Funds due to federal Coronavirus Aid, Relief, and Economic Security Act allocations	\$0.0	\$263.5

**FIGURE 16 (CONTINUED)**  
**RECONCILIATION OF INITIAL 2020–21 BIENNIAL APPROPRIATIONS TO 2020–21 ESTIMATED AND BUDGETED AMOUNTS**

(IN MILLIONS)	GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS	ALL FUNDS
<b>BUDGET ADJUSTMENTS</b>		
<b>Business and Economic Development (continued)</b>		
Texas Department of Transportation (TxDOT): unexpended balances from fiscal year 2019 for information resource technology and Centralized Accounting and Payroll/Personnel System capital budget projects (\$48.6 million), building and facilities construction and deferred maintenance (\$24.1 million), aviation service grants (\$32.2 million), transportation infrastructure fund grants to counties (\$125.0 million), emergency and first responder airport facilities projects (\$5.0 million), and Proposition 7, 2015, state sales tax revenue allocation (\$2,084.8 million)	\$0.0	\$2,319.7
TxDOT: increase in estimated Federal Funds appropriations for transportation projects (\$764.7 million) and Coronavirus Relief Funds (\$159.6 million) and increase in estimated Other Funds appropriations for transportation projects (\$106.3 million)	\$0.0	\$1,030.5
TxDOT: decrease in estimated Other Funds appropriations for decreased oil and gas transfers (\$322.4 million) and deferring a portion of the transfer of state sales tax revenue to the State Highway Fund (\$1,348.3 million)	\$0.0	(\$1,670.7)
TxDOT: supplemental appropriations from Other Funds for technology projects (\$196.4 million) and construction and deferred maintenance (\$210.0 million)	\$0.0	\$406.4
<b>State Contributions for Employee Benefits</b>		
A decrease in estimated state contributions for employee health insurance (General Revenue Funds and General Revenue–Dedicated Funds of \$83.2 million, All Funds of \$102.2 million); retirement (\$49.3 million, \$23.2 million); Social Security (\$70.1 million, \$44.7 million); and benefit replacement pay (\$3.5 million, \$4.8 million)	(\$83.2)	(\$102.2)
<b>Various Other Adjustments</b>		
Other Adjustments	(\$432.2)	(\$2,668.9)
<b>Subtotal, Adjustments</b>	<b>(\$5,605.3)</b>	<b>\$17,412.7</b>
<b>Total, Estimated/Budgeted Funds for the 2020–21 Biennium</b>	<b>\$118,874.0</b>	<b>\$270,340.5</b>
NOTE: Totals may not sum due to rounding.		
SOURCE: Legislative Budget Board.		

## APPROPRIATIONS FOR ITEMS WITH 2022–23 BASELINE FUNDING EXCEPTIONS

In August 2020, the Office of the Governor, Budget and Policy Division, and the Legislative Budget Board provided guidance to state agencies and institutions of higher education regarding the preparation of their 2022–23 biennial legislative appropriations requests. As a starting point for budget deliberations, an agency's baseline request for General Revenue Funds and General Revenue–Dedicated Funds were prohibited from exceeding the sum of amounts estimated for fiscal year 2020 and budgeted for fiscal year 2021. Authorized exceptions to this restriction include amounts necessary to fund certain entitlement

and other programs, debt service, and employee benefits. **Figure 17** shows the 2022–23 biennial recommended amounts for those program exceptions identified in the August 2020 correspondence.

### 5.0 PERCENT REDUCTION IN 2020–21 APPROPRIATIONS

In May 2020, state leadership directed agencies and institutions of higher education to identify reductions of 5.0 percent in their General Revenue Funds and General Revenue–Dedicated Funds appropriations for the 2020–21 biennium. Certain agencies and programs essential to the COVID-19 pandemic response or other critical state functions were excepted. Appropriations to many agencies for the 2022–23 biennium restored funding for certain programs affected by the 5.0-percent reduction, as discussed in the agency-specific sections in Chapters 4 to 11 of this publication.

**FIGURE 17**  
**PROGRAMMATIC EXCEPTIONS TO THE BASELINE FUNDING, GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS ONLY, 2022–23 BIENNIUM**

(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
<b>BUDGET ADJUSTMENTS</b>				
<b>Health and Human Services</b>				
Medicaid	\$22,688.2	\$23,683.3	\$995.1	4.4%
Children's Health Insurance Program	\$375.4	\$483.1	\$107.7	28.7%
Foster Care	\$535.4	\$669.4	\$134.0	25.0%
Adoption Subsidies	\$203.9	\$246.9	\$43.0	21.1%
Permanency Care Assistance	\$33.0	\$42.8	\$9.8	29.7%
Child Protective Services	\$1,058.7	\$1,367.4	\$308.7	29.2%
Intellectual and Developmental Disability Services	\$591.5	\$626.5	\$35.0	5.9%
Behavioral Health Services (3)	\$3,048.8	\$3,365.6	\$316.7	10.4%
<b>Public Education</b>				
Foundation School Program	\$37,629.4	\$38,929.5	\$1,300.1	3.5%
Employer Contributions for State Pension Systems (Teacher Retirement System – pension only)	\$4,030.7	\$5,013.5	\$982.8	24.4%
Employer Contributions for State Pension Systems (Teacher Retirement System – healthcare benefits only)	\$858.1	\$897.6	\$39.5	4.6%
<b>Public Safety and Criminal Justice</b>				
Maintain Funding for the Department of Public Safety	\$2,046.1	\$2,344.3	\$298.2	14.6%
<b>State Employee Benefits</b>				
Employer Contributions for State Pension Systems	\$1,045.5	\$1,027.7	(\$17.8)	(1.7%)
Employer Contributions to Employee Health Insurance	\$2,951.6	\$2,997.4	\$45.8	1.6%
Employer Contributions to Social Security	\$1,482.6	\$1,502.9	\$20.3	1.4%
Benefit Replacement Pay	\$9.8	\$6.7	(\$3.1)	(31.6%)
State Employee and Public Safety Death Benefits	\$57.5	\$55.1	(\$2.4)	(4.1%)

**FIGURE 17 (CONTINUED)**  
**PROGRAMMATIC EXCEPTIONS TO THE BASELINE FUNDING, GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS ONLY, 2022–23 BIENNIUM**

(IN MILLIONS)				
BUDGET ADJUSTMENTS	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
<b>Debt Service Payments</b>				
General Obligation Bonds (Public Finance Authority)	\$618.9	\$674.5	\$55.6	9.0%
General Obligation Bonds (Water Development Board)	\$65.9	\$58.6	(\$7.3)	(11.1%)
Capital Construction Assistance Projects bonds (Institutions of Higher Education)	\$980.9	\$933.4	(\$47.5)	(4.8%)
Master Lease Purchase Program (Public Finance Authority)	<b>\$21.9</b>	<b>\$27.0</b>	<b>\$5.1</b>	<b>23.5%</b>
<b>Total, Programmatic Exceptions to Baseline Funding</b>	<b>\$80,465.2</b>	<b>\$85,158.0</b>	<b>\$4,692.8</b>	<b>5.8%</b>

## NOTES:

- (1) Totals may not sum due to rounding.
- (2) Amounts shown include General Revenue Funds and General Revenue–Dedicated Funds amounts and exclude funds not subject to the baseline limitations.
- (3) Behavioral Health Services totals include appropriations across six articles but exclude appropriations included in Medicaid and Children’s Health Insurance Program totals.

SOURCE: Legislative Budget Board.

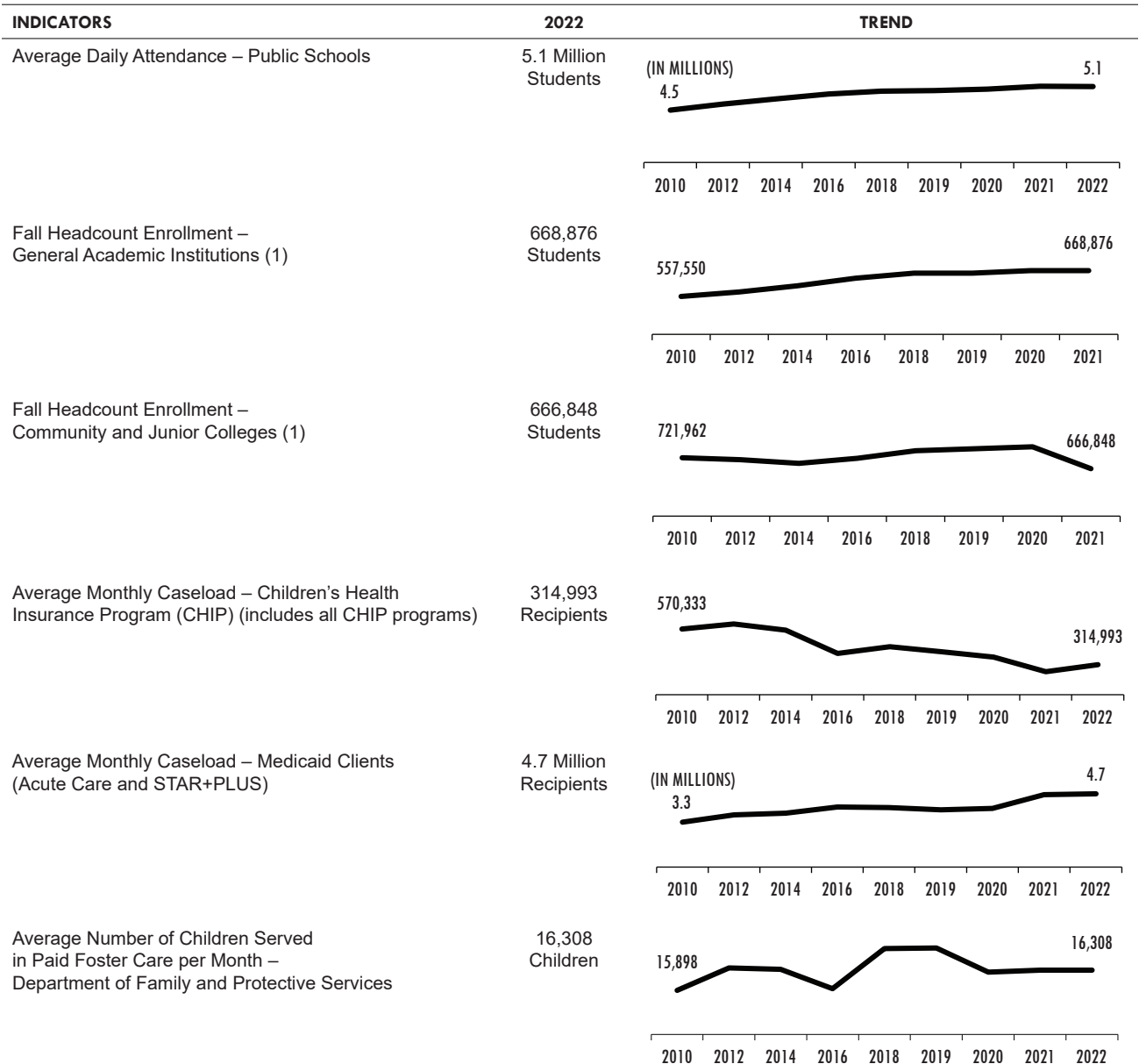
## FACTORS AFFECTING THE STATE BUDGET

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.

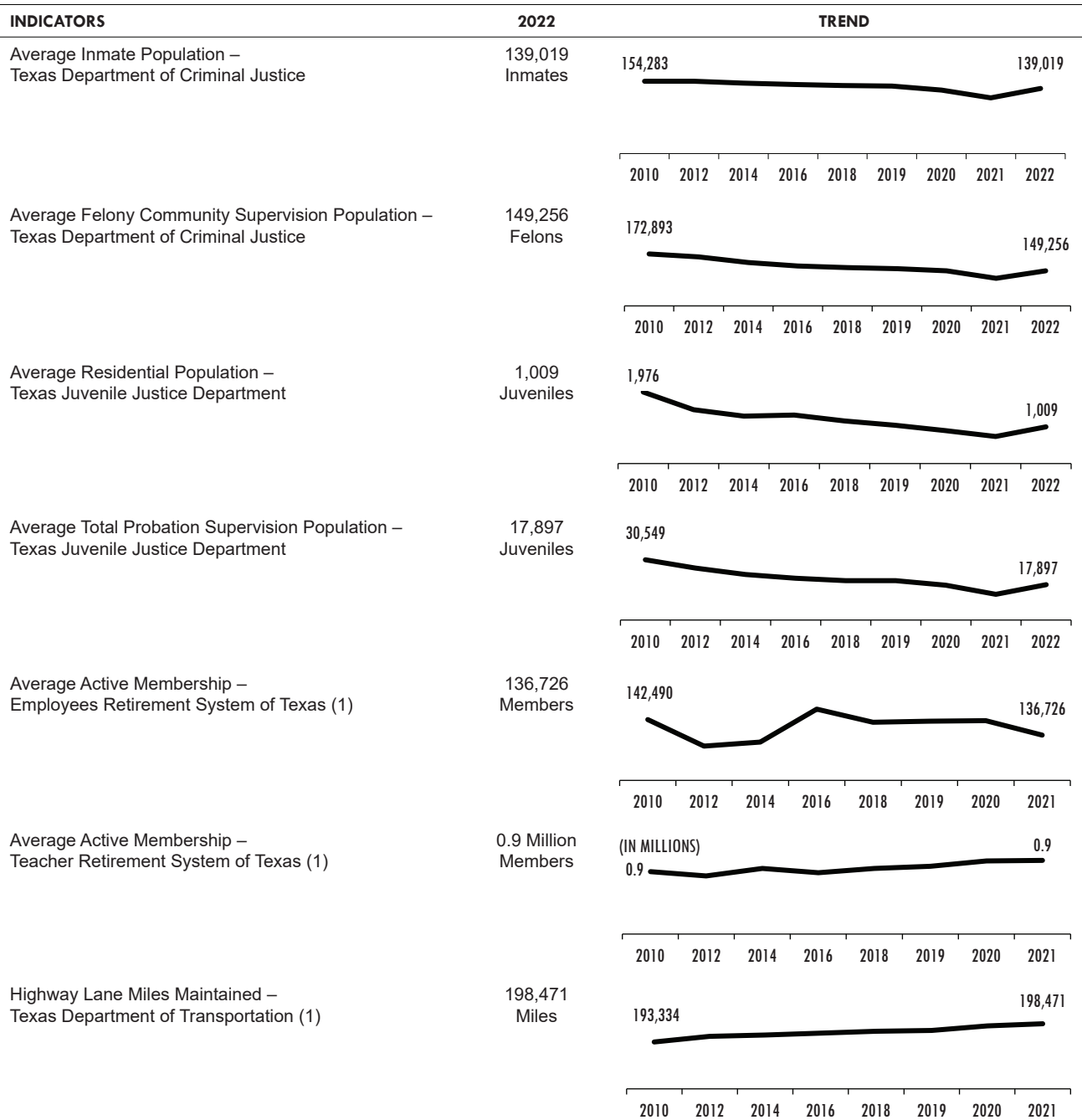
Population change is one element that helps explain the growth in the budget. Cost-related factors can have an equal or greater effect on growth. For example, medical inflation affects not only Medicaid and CHIP, but also inmate healthcare costs and state employee and teacher healthcare costs. Statutory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

**Figure 18** shows the population-based indicators that affect a large portion of the state budget.

**FIGURE 18  
POPULATION-BASED INDICATORS  
FISCAL YEARS 2010 TO 2022**



**FIGURE 18 (CONTINUED)**  
**POPULATION-BASED INDICATORS**  
**FISCAL YEARS 2010 TO 2022**



NOTE: (1) The most recent data available is shown for fiscal year 2021.  
 SOURCE: Legislative Budget Board.



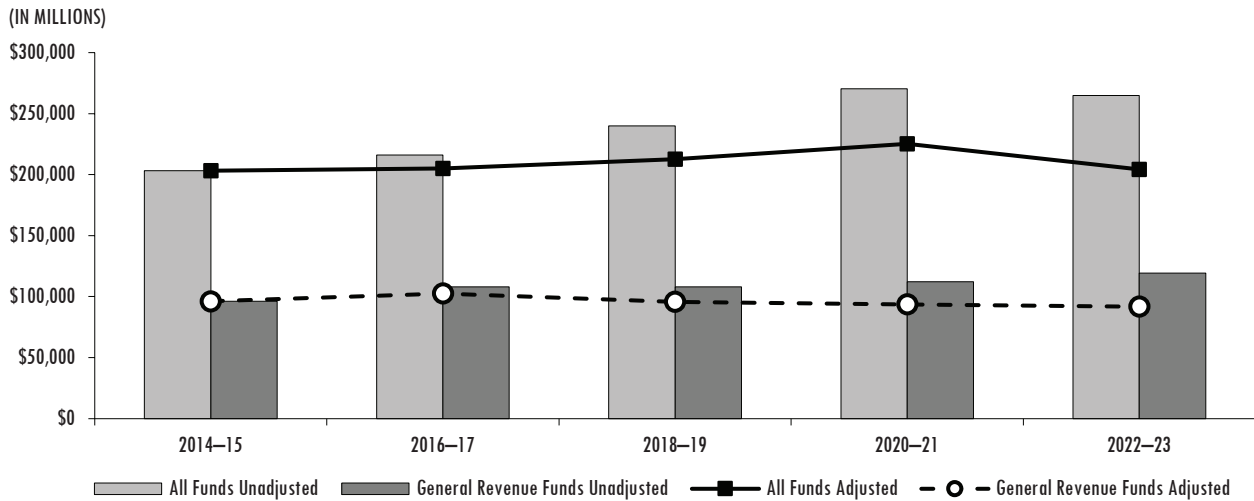
## TRENDS IN STATE GOVERNMENT EXPENDITURES

Figure 19 shows biennial All Funds and General Revenue Funds expenditures and appropriations since the 2014–15 biennium. The amounts also adjust current and historical expenditure and appropriation totals into 2014–15 biennial

dollars based on compounded population and inflation growth. All Funds expenditures increased by 30.3 percent from the 2014–15 to 2022–23 biennia and increased by 0.5 percent after adjusting for population and inflation. General Revenue Funds appropriations increased by 24.0 percent during the same period and decreased by 4.3 percent when adjusted for population and inflation.

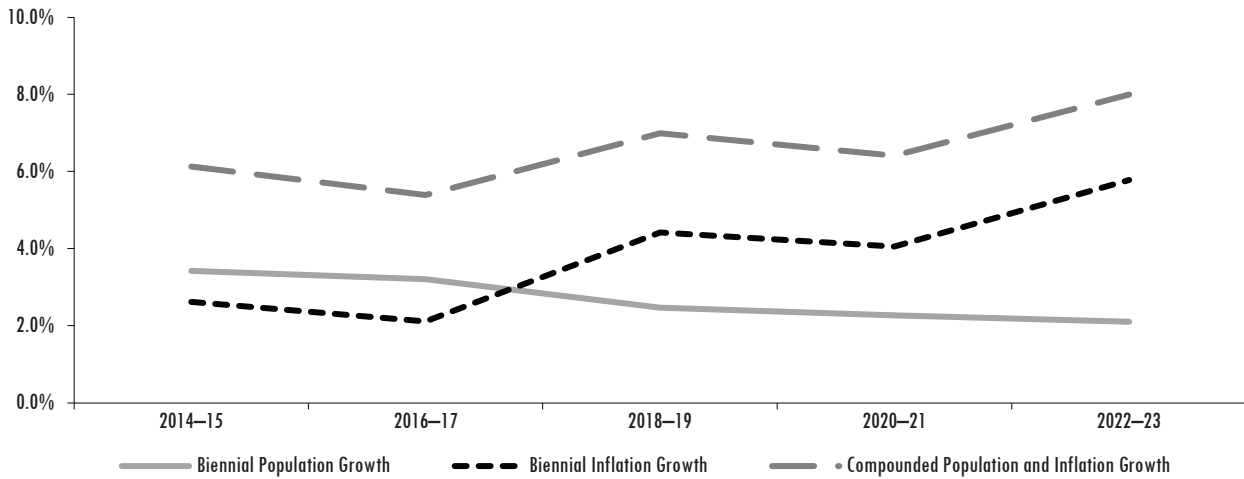
**FIGURE 19**  
**TRENDS IN STATE GOVERNMENT EXPENDITURES, 2022–23 BIENNIAL APPROPRIATIONS**

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
2014–15	\$203,300.5	6.6%	\$203,300.5	0.4%	\$96,072.6	11.7%	\$96,072.6	5.2%
2016–17	\$215,991.7	6.2%	\$204,948.1	0.8%	\$108,007.3	12.4%	\$102,485.0	6.7%
2018–19	\$239,797.5	11.0%	\$212,671.6	3.8%	\$107,986.3	(0.0%)	\$95,770.9	(6.6%)
2020–21	\$270,340.5	12.7%	\$225,328.0	6.0%	\$112,268.1	4.0%	\$93,575.1	(2.3%)
2022–23	\$264,804.7	(2.1%)	\$204,367.5	(9.3%)	\$119,154.1	6.1%	\$91,959.2	(1.7%)



SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

**FIGURE 20**  
**BIENNIAL POPULATION AND INFLATION GROWTH FROM THE 2014–15 TO 2022–23 BIENNIA**



SOURCE: Comptroller of Public Accounts.

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, tends to grow faster than the price of goods and services purchased by consumers.

The compounded population and CPI growth shown in **Figure 20** is based on data in the Comptroller of Public Accounts’ Fall 2021 State Economic Forecast as published in the November 2021 *Certification Revenue Estimate*, which forecasted a biennial growth rate of 8.0 percent from the 2020–21 to 2022–23 biennia. Population and inflation growth estimates submitted to the Legislative Budget Board (LBB) in anticipation of the November 2020 LBB board meeting ranged from 6.2 percent to 7.5 percent.

## RESTRICTED APPROPRIATIONS

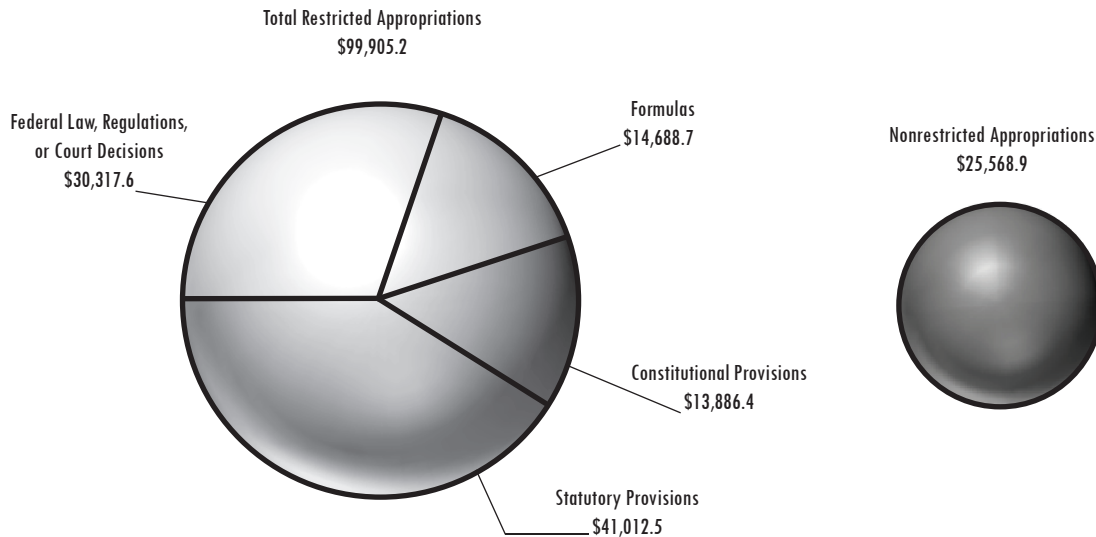
The 2022–23 biennial appropriations from General Revenue Funds and General Revenue–Dedicated Funds total \$125.5 billion. **Figure 21** shows that \$25.6 billion of that total, 20.4 percent, is appropriated by the Legislature without restriction. The remaining \$99.9 billion is restricted by existing 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; however, in many cases, it would need to revise statutes outside of the appropriations process to change the restrictions. **Figure 21** shows examples of the largest restrictions by category. The nonrestricted portion of the budget is larger than the 2020–21 biennial level of 18.3 percent. During the previous five biennia, this percentage has remained relatively constant.

**FIGURE 21**  
**RESTRICTED APPROPRIATIONS FROM GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS**  
**2022–23 BIENNIUM**

(IN MILLIONS)

TOTAL=\$125,474.1



### TOTAL RESTRICTED APPROPRIATIONS VERSUS TOTAL NONRESTRICTED APPROPRIATIONS, 2022–23 BIENNIUM

(IN MILLIONS)	2022–23 APPROPRIATIONS	PERCENTAGE OF TOTAL
Appropriations Restricted by Constitutional Provisions	\$13,886.4	11.1%
Foundation School Program (Available School Fund)	\$5,738.5	
Teacher Retirement System of Texas	\$5,013.5	
Public Education (Instructional Materials)	\$429.3	
Appropriations Restricted by Statutory Provisions	\$41,012.5	32.7%
Public Education (Foundation School Program)	\$33,191.0	
Teacher Retirement System of Texas, Health Insurance Programs for Public School Retiree Health Insurance	\$897.6	
Bond Debt Service	\$933.4	
Appropriations Restricted by Federal Law, Regulations, or Court Decisions	\$30,317.6	24.2%
Medicaid Programs	\$25,319.7	
Social Security Match	\$1,502.9	
Children's Health Insurance Program	\$483.1	

**FIGURE 21 (CONTINUED)**  
**RESTRICTED APPROPRIATIONS FROM GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS**  
**2022–23 BIENNIUM**

<b>TOTAL RESTRICTED APPROPRIATIONS VERSUS TOTAL NONRESTRICTED APPROPRIATIONS, 2022–23 BIENNIUM</b>		
<b>(IN MILLIONS)</b>	<b>2022–23 APPROPRIATIONS</b>	<b>PERCENTAGE OF TOTAL</b>
Appropriations Restricted by Formulas	\$14,688.7	11.7%
Higher Education Formulas	\$10,407.2	
Group Health Insurance (General State Employees)	\$2,852.9	
Group Health Insurance (Higher Education Employees)	\$1,428.6	
<b>Total Restricted Appropriations</b>	<b>\$99,905.2</b>	<b>79.6%</b>
<b>Nonrestricted Appropriations</b>	<b>\$25,568.9</b>	<b>20.4%</b>
Texas Department of Criminal Justice	\$6,212.5	
Department of Public Safety	\$2,344.2	
Texas Higher Education Coordinating Board	\$1,849.3	
Texas Juvenile Justice Department	\$585.3	
<b>Total General Revenue Funds and General Revenue–Dedicated Funds Appropriations</b>	<b>\$125,474.1</b>	<b>100.0%</b>

## 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 commonly is referred to as the pay-as-you-go limit; the limit on the rate of growth of appropriations from certain state taxes, commonly referred to as the spending limit; the limit on tax-supported debt; and the limit on welfare spending. The 2022–23 biennial budget is within all these limits. Senate Bill 1336, Eighty-seventh Legislature, Regular Session, 2021, applies an additional statutory limit; however, that limit will not apply until the 2024–25 biennium.

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

General Revenue Funds appropriations for the 2022–23 biennium total \$119.2 billion. This amount is \$12.0 billion less than the pay-as-you-go limit after adjusting for the Comptroller of Public Accounts' (CPA) costing adjustments, as shown in **Figure 22**. Furthermore, General Revenue Funds are \$3.6 billion less than the calculated General Revenue Funds capacity of the spending limit. Because General Revenue Funds spending authority pursuant to the spending limit is the lower of the two limits, the spending limit is the controlling limit.

**FIGURE 22**  
**REMAINING GENERAL REVENUE FUNDS SPENDING AUTHORITY, 2022–23 BIENNIUM**

LIMIT	AMOUNT (IN BILLIONS)
Pay-as-you-go Limit	\$12.0
Spending Limit	\$3.6

SOURCE: Legislative Budget Board.

### ARTICLE III, §49A, PAY-AS-YOU-GO LIMIT

The Texas Constitution, Article III, Section 49a, establishes the 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 \$135.3 billion in the 2022–23 *Certification Revenue Estimate (CRE)*. This total includes estimated 2022–23 biennial General Revenue Funds revenue collections of \$133.4 billion, less the amount of \$9.0 billion in General Revenue Funds deposits reserved for transfer to the Economic Stabilization Fund and the State Highway Fund. This total also includes the beginning General Revenue Funds balance and General Revenue–Dedicated Funds account balances available for certification totaling \$11.0 billion, shown in **Figure 23**.

### ARTICLE VIII, §22, LIMITATION ON THE GROWTH OF CERTAIN APPROPRIATIONS

The Texas Constitution, Article VIII, Section 22, prohibits appropriations funded with state tax revenues that are not dedicated by the constitution from growing faster than the estimated rate of growth of the state's economy. Consequently, the revenue source that funds appropriations determines if

**FIGURE 23**  
**COMPONENTS OF THE PAY-AS-YOU-GO LIMIT, 2022–23 BIENNIUM**



NOTES:

(1) General Revenue Fund portion.

(2) ESF=Economic Stabilization Fund; SHF=State Highway Fund.

SOURCE: Legislative Budget Board.

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 2022–23 biennial spending limit equals total 2020–21 biennial appropriations funded with state tax revenues that are not dedicated by the constitution, \$100.3 billion, increased by the adopted growth rate of 7.06 percent. The 2022–23 biennial spending limit totals \$107.4 billion after accounting for supplemental appropriations passed by the Eighty-seventh Legislature, regular and called sessions, 2021, and final fiscal year 2021 appropriation and revenue data. Appropriations for the 2022–23 biennium that are subject to the spending limit total \$104.1 billion, \$3.3 billion less than the spending limit, as shown in **Figure 24**, after accounting for all legislation passed by the Eighty-seventh Legislature and revenue estimates in the 2022–23 *CRE*.

Revenue deposits to the General Revenue Fund also include revenue that is not subject to the spending limit; therefore, the maximum 2022–23 biennial General Revenue Fund appropriations associated with the \$107.4 billion limit is \$122.7 billion, leaving \$3.6 billion in remaining General Revenue Fund spending capacity less than the spending limit, shown in **Figure 25**.

### ARTICLE III, SECTION 49-J, DEBT LIMIT

The Texas Constitution, Article III, Section 49-j, provides that the Legislature may not authorize additional state debt if in any fiscal year the resulting maximum annual debt service payable from the General Revenue Fund, excluding revenues constitutionally dedicated for purposes other than payment of state debt, exceeds 5.0 percent of the average annual unrestricted General Revenue Funds for the previous three years. To monitor where the state stands in relation to the constitutional debt limit (CDL), the Bond Review Board (BRB) calculates two debt ratios. The first ratio is the debt service on outstanding or issued debt as a percentage of unrestricted General Revenue Funds. At the end of fiscal year 2021, the BRB reported that the issued debt ratio is 1.23 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 2.58 percent of unrestricted General Revenue Funds at the end of fiscal year 2021. The latter calculation represents a 3.4 percent decrease from the 2.67 percent calculated for outstanding and authorized but unissued debt for fiscal year 2020. The BRB expects the CDL ratio to

**FIGURE 24**  
**SPENDING LIMIT COMPARED TO THE SUMMARY OF**  
**APPROPRIATIONS, 2022–23 BIENNIUM**

(IN BILLIONS)	AMOUNT
Spending Limit	\$107.4
Appropriations Subject to the Spending Limit	(\$104.1)
<b>Total Less Than the Spending Limit</b>	<b>\$3.3</b>

SOURCE: Legislative Budget Board.

**FIGURE 25**  
**GENERAL REVENUE FUNDS PURSUANT TO THE**  
**SPENDING LIMIT COMPARED TO THE SUMMARY OF**  
**APPROPRIATIONS, 2022–23 BIENNIUM**

(IN BILLIONS)	AMOUNT
Maximum General Revenue Fund	\$122.7
Appropriations Pursuant to the Spending Limit	
General Revenue Fund Appropriations	(\$119.2)
<b>Total Less Than the Maximum General</b> <b>Revenue Fund Appropriations</b>	<b>\$3.6</b>

SOURCE: Legislative Budget Board.

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

The 2022–23 biennial budget defined in the Texas Human Resources Code, Section 31.053, is \$264.8 billion. Therefore, the welfare spending limit is \$2.6 billion. The biennial amount appropriated in the General Appropriations Act that is subject to the limit on state dollars paid out in Temporary Assistance for Needy Families (cash assistance) grants is \$83.6 million, which is \$2.6 billion less than the 1.0 percent limit.

## 2. REVENUE SOURCES AND ECONOMIC INDICATORS

This chapter examines Texas' state and local government revenue structure for the Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium.

This chapter discusses state revenue by examining the Comptroller of Public Accounts' (CPA) *Certification Revenue Estimate*, released in November 2021 for the 2022–23 biennium.

Total All Funds net revenue for the 2022–23 biennium is estimated to be \$317.2 billion, an increase of \$5.1 billion, or 1.6 percent from the 2020–21 biennial level. Tax collections are estimated to grow by 14.3 percent, and nontax collections are estimated to decrease by 6.2 percent for the 2022–23 biennium.

### STATE REVENUE

According to CPA, state tax collections for the 2022–23 biennium are estimated to total \$135.9 billion, an increase of \$17.0 billion, or 14.3 percent, from the 2020–21 biennial collection levels.

### SALES TAX

The sales and use tax continues to contribute most of the state's tax revenue, as shown in **Figures 26, 27, and 28**. CPA estimates that sales tax revenue for the 2022–23 biennium will total \$78.5 billion, an 11.9 percent increase from 2020–21 biennial collections of \$70.1 billion. Sales taxes are expected to contribute 57.7 percent of total tax collections for the 2022–23 biennium.

**FIGURE 26**  
**STATE REVENUE BIENNIAL COMPARISON BY SOURCE IN ALL FUNDS, 2020-21 AND 2022-23 BIENNIA**

SOURCE	(IN MILLIONS)		PERCENTAGE CHANGE	PERCENTAGE OF 2022-23 TOTAL REVENUE	PERCENTAGE OF 2022-23 TOTAL TAXES
	2020-21 BIENNium	2022-23 BIENNium			
Tax collections	\$118,853.3	\$135,875.8	14.3%	42.8%	100.0%
Federal income	\$140,056.8	\$131,944.7	(5.8%)	41.6%	N/A
Licenses, fees, fines, and penalties	\$12,503.4	\$12,492.4	(0.1%)	3.9%	N/A
State health service fees and rebates	\$14,376.3	\$11,549.6	(19.7%)	3.6%	N/A
Net lottery proceeds	\$5,346.3	\$5,498.8	2.9%	1.7%	N/A
Land income	\$3,957.1	\$4,418.0	11.6%	1.4%	N/A
Interest and investment income	\$4,504.5	\$3,666.2	(18.6%)	1.2%	N/A
Other revenue	\$12,475.0	\$11,726.8	(6.0%)	3.7%	N/A
<b>Total, Net Revenue</b>	<b>\$312,072.8</b>	<b>\$317,172.3</b>	<b>1.6%</b>	<b>100.0%</b>	<b>N/A</b>
Sales taxes	\$70,118.7	\$78,466.1	11.9%	24.7%	57.7%
Motor vehicle sales and rental taxes	\$10,546.2	\$11,814.9	12.0%	3.7%	8.7%
Motor fuel taxes	\$7,121.6	\$7,395.2	3.8%	2.3%	5.4%
Franchise tax	\$8,948.3	\$9,673.1	8.1%	3.0%	7.1%
Oil production tax	\$6,678.5	\$9,560.1	43.1%	3.0%	7.0%
Insurance taxes	\$5,441.3	\$5,980.0	9.9%	1.9%	4.4%
Cigarette and tobacco taxes	\$2,696.3	\$2,585.9	(4.1%)	0.8%	1.9%
Natural gas production tax	\$2,494.0	\$4,719.3	89.2%	1.5%	3.5%
Alcoholic beverage taxes	\$2,382.8	\$3,154.7	32.4%	1.0%	2.3%
Hotel occupancy tax	\$958.5	\$1,066.1	11.2%	0.3%	0.8%
Utility taxes	\$1,017.0	\$986.8	(3.0%)	0.3%	0.7%
Other taxes	\$450.2	\$473.6	5.2%	0.1%	0.3%
<b>Total, Tax Collections</b>	<b>\$118,853.3</b>	<b>\$135,875.8</b>	<b>14.3%</b>	<b>42.8%</b>	<b>100.0%</b>

NOTES:

- (1) Biennial change and percentage change have been calculated on actual amounts before rounding in all figures in this chapter. Totals may not sum due to rounding.
  - (2) Totals shown for the 2022–23 biennium are estimates from the Comptroller of Public Accounts' November 4, 2021, *Certification Revenue Estimate*.
- SOURCE: Comptroller of Public Accounts.

**FIGURE 27**  
**STATE REVENUE BY SOURCE, FISCAL YEARS 2019 TO 2023**

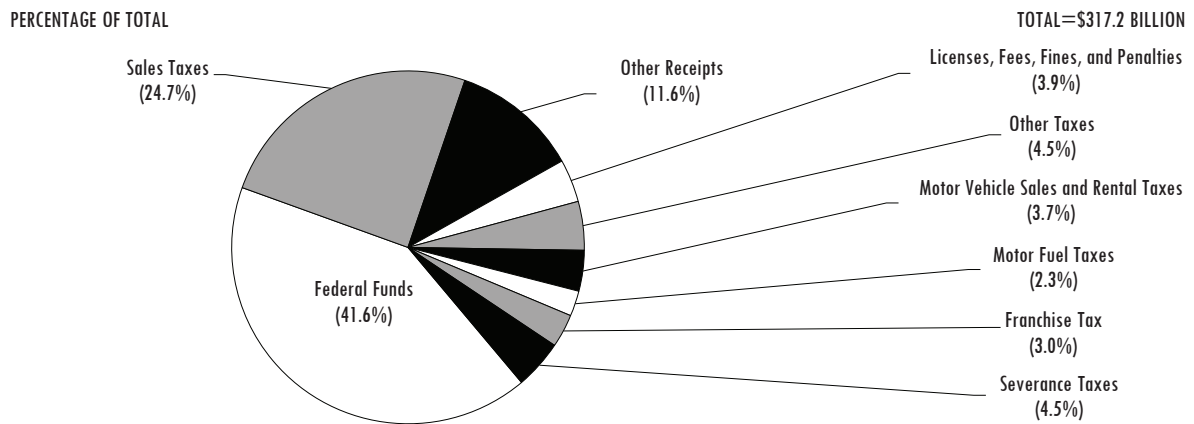
SOURCE	REVENUE (IN MILLIONS)					PERCENTAGE CHANGE				PERCENTAGE OF TOTAL	
	2019	2020	2021	2022	2023	2020	2021	2022	2023	2019	2023
Tax collections	\$59,380.7	\$57,379.8	\$61,473.5	\$67,445.1	\$68,430.7	(3.4%)	7.1%	9.7%	1.5%	46.4%	45.2%
Federal receipts	\$41,904.5	\$58,116.8	\$81,940.1	\$73,739.0	\$58,205.6	38.7%	41.0%	(10.0%)	(21.1%)	32.8%	38.4%
Licenses, fees, fines, and penalties	\$6,542.1	\$6,178.2	\$6,325.2	\$6,204.8	\$6,287.6	(5.6%)	2.4%	(1.9%)	1.3%	5.1%	4.2%
State health service fees and rebates	\$7,087.9	\$7,560.5	\$6,815.8	\$5,948.3	\$5,601.3	6.7%	(9.9%)	(12.7%)	(5.8%)	5.5%	3.7%
Net lottery proceeds	\$2,510.1	\$2,391.7	\$2,954.6	\$2,749.4	\$2,749.4	(4.7%)	23.5%	(6.9%)	0.0%	2.0%	1.8%
Land income	\$2,251.2	\$1,809.3	\$2,147.8	\$2,011.1	\$2,406.9	(19.6%)	18.7%	(6.4%)	19.7%	1.8%	1.6%
Interest and investment income	\$2,504.4	\$2,529.0	\$1,975.5	\$1,699.2	\$1,967.1	1.0%	(21.9%)	(14.0%)	15.8%	2.0%	1.3%
Other revenue	\$5,760.4	\$5,611.1	\$6,863.9	\$5,933.6	\$5,793.2	(2.6%)	22.3%	(13.6%)	(2.4%)	4.5%	3.8%
<b>Total, Net Revenue</b>	<b>\$127,941.4</b>	<b>\$141,576.3</b>	<b>\$170,496.5</b>	<b>\$165,730.4</b>	<b>\$151,441.9</b>	<b>10.7%</b>	<b>20.4%</b>	<b>(2.8%)</b>	<b>(8.6%)</b>	<b>100.0%</b>	<b>100.0%</b>
Sales taxes	\$34,023.9	\$34,099.1	\$36,019.6	\$38,625.3	\$39,840.8	0.2%	5.6%	7.2%	3.1%	26.6%	26.3%
Motor vehicle sales and rental taxes	\$5,010.6	\$4,815.2	\$5,730.9	\$5,849.8	\$5,965.1	(3.9%)	19.0%	2.1%	2.0%	3.9%	3.9%
Motor fuel taxes	\$3,743.0	\$3,524.7	\$3,596.9	\$3,669.2	\$3,726.0	(5.8%)	2.0%	2.0%	1.5%	2.9%	2.5%
Franchise tax	\$4,217.9	\$4,418.4	\$4,529.8	\$4,707.4	\$4,965.7	4.8%	2.5%	3.9%	5.5%	3.3%	3.3%
Oil production tax	\$3,886.8	\$3,229.3	\$3,449.1	\$4,932.1	\$4,628.0	(16.9%)	6.8%	43.0%	(6.2%)	3.0%	3.1%
Insurance taxes	\$2,599.0	\$2,741.7	\$2,699.6	\$2,962.1	\$3,018.0	5.5%	(1.5%)	9.7%	1.9%	2.0%	2.0%
Cigarette and tobacco taxes	\$1,410.4	\$1,299.0	\$1,397.3	\$1,244.0	\$1,341.9	(7.9%)	7.6%	(11.0%)	7.9%	1.1%	0.9%
Natural gas production tax	\$1,685.7	\$925.5	\$1,568.5	\$2,670.8	\$2,048.5	(45.1%)	69.5%	70.3%	(23.3%)	1.3%	1.4%
Alcoholic beverage taxes	\$1,369.4	\$1,125.3	\$1,257.4	\$1,542.6	\$1,612.1	(17.8%)	11.7%	22.7%	4.5%	1.1%	1.1%
Hotel occupancy tax	\$636.1	\$470.7	\$487.8	\$520.0	\$546.1	(26.0%)	3.6%	6.6%	5.0%	0.5%	0.4%
Utility taxes	\$471.4	\$478.2	\$538.8	\$489.2	\$497.6	1.4%	12.7%	(9.2%)	1.7%	0.4%	0.3%
Other taxes	\$326.5	\$252.7	\$197.5	\$232.6	\$241.0	(22.6%)	(21.8%)	17.8%	3.6%	0.3%	0.2%
<b>Total, Tax Collections</b>	<b>\$59,380.7</b>	<b>\$57,379.8</b>	<b>\$61,473.5</b>	<b>\$67,445.1</b>	<b>\$68,430.7</b>	<b>(3.4%)</b>	<b>7.1%</b>	<b>9.7%</b>	<b>1.5%</b>	<b>46.4%</b>	<b>45.2%</b>

NOTE: Totals shown for the 2022–23 biennium are estimates from the Comptroller of Public Accounts' November 4, 2021, *Certification Revenue Estimate*.

SOURCE: Comptroller of Public Accounts.



**FIGURE 28**  
**ESTIMATED STATE REVENUE COLLECTIONS, 2022–23 BIENNIUM**



SOURCE: Comptroller of Public Accounts.

The state tax rate is 6.25 percent, which has been in place since 1990. Subject to certain exemptions, the state sales and use tax is imposed on retail sales, leases, and rentals of goods purchased within or brought into the state, and some taxable services. The largest exemptions include property used in manufacturing, food purchased for home consumption, agricultural items, gas and electricity, and water.

### OIL AND GAS PRODUCTION TAXES

The state levies an oil production tax at 4.6 percent of market value and a natural gas production tax at 7.5 percent of market value, less certain deductions. During the 2020–21 biennium, annual oil production was approximately 4.5 million barrels per day for fiscal year 2020 and 4.0 million barrels per day for fiscal year 2021. Oil was priced on the New York Mercantile Exchange (NYMEX) at an average of \$45.46 per barrel for fiscal year 2020 and \$54.49 per barrel for fiscal year 2021. Annual natural gas production was 26.1 billion cubic feet per day for fiscal year 2020 and 25.8 billion cubic feet per day for fiscal year 2021, and NYMEX natural gas prices averaged \$2.09 per million British thermal units (MMBtu) for fiscal year 2020, and approximately \$2.65 per MMBtu for fiscal year 2021.

Oil production taxes are expected to increase during the 2022–23 biennium due to higher expected price per barrel and moderately increasing production. Whereas 2020–21 biennial revenues from oil production taxes were \$6.7 billion, CPA estimates the 2022–23 biennial revenues will be \$9.6 billion, an increase of 43.1 percent.

For the 2020–21 biennium, natural gas production tax collections totaled \$2.5 billion. CPA estimates 2022–23 biennial revenues from natural gas production taxes will increase 89.2 percent to \$4.7 billion.

### MOTOR FUEL TAXES

Texas taxes three major types of motor fuel: gasoline, diesel, and liquefied and compressed natural gas. Gasoline and diesel fuel are taxed \$0.20 per gallon; liquefied and compressed natural gas is taxed at a rate of \$0.15 per gasoline or diesel gallon equivalent. The 2020–21 biennial motor fuels tax collections totaled \$7.1 billion. CPA estimates that fuel tax collections will increase 3.8 percent during the upcoming biennium, forecasting \$7.4 billion in revenue for the 2022–23 biennium.

Of the net balance, 75.0 percent of motor fuel tax revenues are deposited to the State Highway Fund, and the remaining 25.0 percent of collections are dedicated to public education.

### MOTOR VEHICLE SALES AND RENTAL TAX

The motor vehicle sales tax is levied at a rate of 6.25 percent on the price of a vehicle, less the value of any trade-in. The rental tax rate is 10.0 percent for rentals of 30 days or fewer and 6.25 percent for rentals exceeding 30 days. Also included in motor vehicle sales and rental taxes is the tax on manufactured housing. This tax is levied at a rate of 5.0 percent of 65.0 percent of the manufacturer's selling price.

Motor vehicle sales and rental taxes increased during the 2020–21 biennium, generating \$10.5 billion in revenue, 5.6 percent more than during the previous biennium. CPA

estimates that revenue from motor vehicle sales and rental taxes will increase 12.0 percent to \$11.8 billion for the 2022–23 biennium. In each fiscal year, 35.0 percent of the net revenue collected in excess of \$5.0 billion will be transferred to the State Highway Fund.

## FRANCHISE TAX

House Bill 3, Seventy-ninth Legislature, Third Called Session, 2006, revised the state's business franchise tax. Effective fiscal year 2008, the state converted from imposing a franchise tax that was based on taxable capital (net worth) and on earned surplus to a margins tax, which is based on taxable margin.

Although the name franchise tax remains in the amended statute, it more commonly is called the margins tax because a business entity's taxable base is redefined as the taxable margin. The taxable margin is the lesser value of four methods of calculation: (1) 70.0 percent of total revenue; (2) total revenue minus costs of goods sold; (3) total revenue minus total compensation and benefits; or (4) total revenue minus \$1.0 million. Beginning in fiscal year 2016, most entities pay at a rate of 0.75 percent of their taxable margins. The exception is a lower tax rate of 0.375 percent applied to any taxable entity engaged primarily in retail or wholesale trade. These rates originally were 1.0 percent and 0.5 percent, respectively. The Eighty-third Legislature, Regular Session, 2013, temporarily lowered the rates by 2.5 percent in fiscal year 2014, and 5.0 percent in fiscal year 2015. The Eighty-fourth Legislature, 2015, permanently lowered the rates by 25.0 percent.

After the tax increased by 13.2 percent for the 2020–21 biennium, CPA estimates that margins tax revenue will increase by 8.1 percent for the 2022–23 biennium and will generate \$9.7 billion.

House Bill 2, Seventy-ninth Legislature, Third Called Session, 2006, established the Property Tax Relief Fund. This legislation stipulated that the amount that would have been collected in accordance with the previous franchise tax rate every fiscal year is deposited to the General Revenue Fund, and the remainder of revenue from the margins tax established by House Bill 3 is dedicated to the Property Tax Relief Fund. Thus, of the \$9.7 billion expected collections, in accordance with the statute, \$6.8 billion will be allocated to the General Revenue Fund and \$2.9 billion will be allocated to the Property Tax Relief Fund during the 2022–23 biennium.

## CIGARETTE AND TOBACCO TAXES

Excise tax revenue related to cigarettes, cigars, and tobacco totaled \$2.7 billion for the 2020–21 biennium. CPA estimates revenue for the 2022–23 biennium to total \$2.6 billion, a 4.1 percent decrease from the 2020–21 biennial level.

The cigarette tax is levied at \$70.50 per 1,000 cigarettes weighing 3.0 pounds or less per 1,000 or \$72.60 per 1,000 cigarettes weighing more than 3.0 pounds per 1,000. The tobacco products tax is levied on cigars, snuff, chewing tobacco, and smoking tobacco. Legislation passed by the Eighty-first Legislature, Regular Session, 2009, amended the base used to calculate the tax imposed on tobacco products, other than cigars, from the manufacturer's listed price to the manufacturer's listed net weight. Beginning in fiscal year 2010, the rate per ounce was \$1.10, which increased \$0.03 per ounce each fiscal year until September 1, 2012. After December 1, 2013, the rate remains at \$1.22 per ounce. A portion of the revenue generated in excess of the previous tax rate is deposited to the Physician Education Loan Repayment Program; the remainder of the revenue increase is deposited to the Property Tax Relief Fund.

Since the Seventy-ninth Legislature, Third Called Session, 2006, established the Property Tax Relief Fund, revenue that would have been collected in accordance with the previous tax rates before January 1, 2007, is credited to the General Revenue Fund. The excess revenue greater than this amount that is generated by the increased tax rates is dedicated to the Property Tax Relief Fund. The 2020–21 biennial transfers to the Property Tax Relief Fund from cigarette and tobacco tax revenue totaled \$1.6 billion. CPA estimates transfers to the Property Tax Relief Fund from cigarette and tobacco tax revenue to be \$1.5 billion for the 2022–23 biennium.

## ALCOHOLIC BEVERAGE TAXES

Alcoholic beverage taxes consist of the mixed-beverage gross receipts tax; the mixed-beverage sales tax; and volume-based excise taxes imposed on ale, beer, liquor, and wine. The 2020–21 biennial alcoholic beverage tax revenue totaled \$2.4 billion. CPA estimates revenue for the 2022–23 biennium to increase to \$3.2 billion, or 32.4 percent greater than the 2020–21 biennial level.

## INSURANCE OCCUPATION TAXES

Insurance occupation taxes include insurance premium taxes and insurance maintenance taxes. Insurance-related entities must remit a percentage of their gross premiums to pay

insurance premium taxes. Insurers pay 1.75 percent of accident, health, and life insurance gross premiums; 1.6 percent of property and casualty insurance gross premiums; 1.35 percent of title insurance premiums; and 4.85 percent of independently procured insurance premiums.

Insurance maintenance taxes also are based on premiums. They are levied on insurance-related entities to cover the state's cost of regulating the industry. The Texas Department of Insurance primarily incurs these regulatory costs. Maintenance tax rates are reviewed annually and are based on the funding needs of the regulatory agencies.

In addition to these taxes, retaliatory taxes are imposed on insurers from outside Texas to assist Texas-based companies that are operating in other states. If a Texas-based company pays a higher proportion of taxes to another state than domestic companies pay to that state, the insurance companies from the other state that compete in Texas must pay a retaliatory tax.

CPA forecasts insurance taxes and fees to total \$6.0 billion for the 2022–23 biennium, an increase of 9.9 percent from the 2020–21 biennial level of \$5.4 billion.

## UTILITY TAXES

Texas has three forms of utility gross receipts taxes: the gas, electric, and water tax; the public utility gross receipts assessment; and the gas utility pipeline tax. The largest revenue generator is the gas, electric, and water tax, which provides more than 80.0 percent of the state's total utility tax revenues.

Tax rates imposed on utility gross receipts range from 0.581 percent to 1.997 percent, depending on city population. The public utility gross receipts tax is levied at a rate of 0.001667 percent of gross receipts. The gas utility pipeline tax is a levy of 0.5 percent on gas utility gross receipts, less the cost of gas sold.

During the 2020–21 biennium, utility taxes generated \$1.0 billion in revenue. CPA estimates that utility taxes will generate \$986.8 million for the 2022–23 biennium, a 3.0 percent decrease.

## HOTEL OCCUPANCY TAX

Texas imposes a hotel occupancy tax on an individual who pays for the use or possession of a room or space in a hotel. For purposes of the tax, the definition of a hotel includes

the short-term rental of all or part of a residential property. The rate of tax is 6.0 percent of the price paid for a room in the hotel.

CPA estimates that the hotel occupancy tax will generate \$1.1 billion for the 2022–23 biennium, which would be 11.2 percent greater than the 2020–21 biennial collections of \$958.5 million.

## OTHER TAXES

Other taxes are levied on various items such as oil well service receipts, unemployment assessments and contributions, cement, and coin-operated amusement machines. CPA estimates that these taxes will generate \$473.6 million during the 2022–23 biennium, an increase of 5.2 percent from the 2020–21 biennial collections of \$450.2 million.

## **NONTAX REVENUES**

In addition to tax revenues, the state receives revenue from various other sources.

### **FEDERAL RECEIPTS**

Federal receipts constitute the state's largest source of nontax revenue. CPA estimates that collections for the 2022–23 biennium will total \$131.9 billion, 41.6 percent of all revenue for the biennium, which is a decrease of 5.8 percent from 2020–21 biennial receipts.

### **LICENSES, FEES, FINES, AND PENALTIES**

Licenses, fees, fines, and penalties contribute the state's second-largest source of nontax revenue. According to CPA, the state is projected to receive \$12.49 billion from this revenue category for the 2022–23 biennium. This amount represents a decrease of 0.1 percent from 2020–21 biennial collections of \$12.50 billion. This revenue category is expected to contribute 3.9 percent of all state revenue during the 2022–23 biennium.

### **INTEREST AND INVESTMENT INCOME**

Most interest on fund balances and investment revenue in General Revenue Funds is composed of income deposited to the Available School Fund (ASF) from Permanent School Fund (PSF) investments. Funds distributed from the PSF to the ASF during a 10-year period may not exceed the total return on all PSF investment assets during the same period. Transfers to the ASF totaled \$1.7 billion for fiscal year 2020 and \$1.7 billion for fiscal year 2021. CPA estimates that \$4.3 billion will be transferred to the ASF during the 2022–23 biennium.

All Funds total interest and investment revenue for the 2022–23 biennium is expected to be \$3.7 billion, a decrease of 18.6 percent from the 2020–21 biennial interest and investment revenue of \$4.5 billion.

### **LOTTERY REVENUE**

Texas Lottery ticket sales totaled \$8.1 billion for fiscal year 2021, an increase of \$1.4 billion, or 20.9 percent, from fiscal year 2020 sales.

Of the fiscal year 2021 total sales, \$5.5 billion was paid out to players; \$432.1 million was paid to retailers in the form of commissions and incentive payments; \$1,884.5 million was transferred on a cash basis to the Foundation School Fund; \$23.6 million was transferred to the Texas Veterans Commission; and \$64.2 million of unclaimed prizes was transferred to the state. Of the remaining fiscal year 2021 sales, \$266.8 million was used to fund administrative expenses.

CPA estimates that lottery revenue of \$1.5 billion for each fiscal year of the 2022–23 biennium will be available for transfer to the Foundation School Fund.

### **LAND INCOME**

Land income is derived from mineral royalties and leases, land sales, and the sale of timber and sand. CPA estimates that the state will collect \$4.4 billion in income from state lands for the 2022–23 biennium. This amount represents an increase of 11.6 percent from 2020–21 biennial collections of \$4.0 billion.

### **OTHER REVENUE**

#### **TOBACCO SETTLEMENT REVENUE**

In January 1998, Texas entered into a settlement agreement with the defendants in the state's action against tobacco manufacturers. One result of the agreement was the establishment of a series of payments to the state and a number of political subdivisions to be made by the defendants named in the agreement. The schedule of these payments is outlined in the settlement agreement. Future payments are subject to price, sales volume, and profitability adjustments at tobacco companies. These adjustment factors may cause actual Tobacco Settlement revenue collections to deviate from the original payment schedule.

During the 2020–21 biennium, the state received \$1.1 billion as a result of the federal Tobacco Settlement agreement. For the 2022–23 biennium, \$940.9 million in revenue is expected as the volume of domestic cigarette sales decreases.

#### **STATE HEALTH SERVICE FEES AND REBATES**

Most state health service fees and rebates are from federally mandated and state-supplemental Medicaid vendor drug programs. These revenues consist of rebates that the state collects from manufacturers of drugs that are covered by state Medicaid programs. CPA estimates that the state will collect \$11.5 billion in state health service fees and rebates for the 2022–23 biennium, 19.7 percent less than the 2020–21 biennial collections of \$14.4 billion.

#### **OTHER SOURCES OF REVENUE**

The remaining \$11.7 billion, or 3.7 percent, of state revenue is from various sources, including the following sources: escheated estates, sales of goods and services, child support collections, and settlement of claims. Collections of other revenue are projected to total 6.0 percent less than the 2020–21 biennial collections of \$12.5 billion.

## STATE TAXES

Two measures are used commonly to compare state tax burdens among states: state tax revenue per \$1,000 of personal income, and per-capita state tax revenues. Texas

ranks low relative to other states on both measures. For fiscal year 2020, Texans paid \$38.01 in state taxes for each \$1,000 of personal income, or 69.1 percent of the \$55.00 national average (**Figure 29**).

**FIGURE 29**  
**STATE TAX REVENUE PER \$1,000 OF PERSONAL INCOME, FISCAL YEAR 2020**

RANKING	STATE	TAX REVENUE PER \$1,000 OF PERSONAL INCOME	RANKING	STATE	TAX REVENUE PER \$1,000 OF PERSONAL INCOME
1	Hawaii	\$94.11	27	Rhode Island	\$55.39
2	Vermont	\$93.61	28	Wyoming	\$54.60
3	North Dakota	\$93.54	29	Oregon	\$54.41
4	Delaware	\$83.12	30	North Carolina	\$53.66
5	Minnesota	\$77.29	31	Nebraska	\$53.44
6	New Mexico	\$74.17	32	Michigan	\$53.37
7	Arkansas	\$72.26	33	Virginia	\$53.36
8	West Virginia	\$68.41	34	Alabama	\$53.05
9	Maine	\$67.20	35	Utah	\$52.29
10	Connecticut	\$66.28	36	Pennsylvania	\$52.13
11	Mississippi	\$65.33	37	Oklahoma	\$51.91
12	New York	\$64.86	38	Ohio	\$49.30
13	Indiana	\$64.59	39	Arizona	\$49.10
14	Kentucky	\$63.93	40	Louisiana	\$48.47
15	Iowa	\$63.85	41	Tennessee	\$48.05
16	California	\$63.33	42	South Carolina	\$47.57
17	Wisconsin	\$62.68	43	Georgia	\$43.30
18	Idaho	\$60.41	44	Colorado	\$41.18
19	Kansas	\$59.83	45	Missouri	\$39.41
20	Maryland	\$59.69	46	South Dakota	\$39.05
21	Massachusetts	\$59.26	<b>47</b>	<b>Texas</b>	<b>\$38.01</b>
22	New Jersey	\$58.80	48	Florida	\$36.00
23	Illinois	\$57.83	49	New Hampshire	\$31.51
24	Washington	\$57.03	50	Alaska	\$28.41
25	Nevada	\$56.49			
26	Montana	\$55.72		<b>U.S. Average</b>	<b>\$55.00</b>

SOURCES: U.S. Census Bureau; U.S. Department of Commerce, Bureau of Economic Analysis.

**POPULATION**

The annual growth rate of Texas’ population has remained relatively constant since calendar year 2008. **Figure 30** shows that the state’s population grew by 15.9 percent from calendar years 2010 to 2020. This growth rate was a compounded annual rate of 1.5 percent. Of the 15 most populous states,

Texas was the fastest growing state in the U.S. during this period. Moody’s Analytics, a national econometric forecasting firm, estimates that Texas’ population will increase approximately 1.1 percent per year from calendar years 2021 to 2031. During the same period, Moody’s Analytics projects the total U.S. population will increase approximately 0.4 percent per year.

**FIGURE 30  
RESIDENT POPULATION RANKING, CALENDAR YEARS 2010 AND 2020**

RANKING	STATE	POPULATION (IN MILLIONS)			
		2010 CENSUS	2020 CENSUS	CHANGE	PERCENTAGE CHANGE
1	California	37.3	39.5	2.28	6.1%
<b>2</b>	<b>Texas</b>	<b>25.1</b>	<b>29.1</b>	<b>4.00</b>	<b>15.9%</b>
3	Florida	18.8	21.5	2.74	14.6%
4	New York	19.4	20.2	0.82	4.2%
5	Pennsylvania	12.7	13.0	0.30	2.4%
6	Illinois	12.8	12.8	(0.02)	(0.1%)
7	Ohio	11.5	11.8	0.26	2.3%
8	Georgia	9.7	10.7	1.02	10.6%
9	North Carolina	9.5	10.4	0.90	9.5%
10	Michigan	9.9	10.1	0.19	2.0%
11	New Jersey	8.8	9.3	0.50	5.7%
12	Virginia	8.0	8.6	0.63	7.9%
13	Washington	6.7	7.7	0.98	14.6%
14	Arizona	6.4	7.2	0.76	11.9%
15	Massachusetts	6.5	7.0	0.48	7.4%
	<b>U.S. Total</b>	<b>308.7</b>	<b>331.4</b>	<b>22.70</b>	<b>7.4%</b>

SOURCE: U.S. Census Bureau.

## PERSONAL INCOME

Personal income is a widely used measure of economic well-being. It consists of wages and salaries, other labor income, proprietors' income, dividends, interest, rent, and transfer payments (e.g., Social Security and unemployment insurance benefits). Per capita personal income (total personal income divided by resident population) is used commonly to compare the relative economic well-being of residents in the states. It is affected by growth or decrease in the wage-earning population (ages 18 to 64) relative to overall population. Texas' per capita personal income was \$55,129 for calendar year 2020, and the state ranked twenty-seventh among the states, shown in **Figure 31**.

Texas' cost of living also is relatively low, at 92.6 percent of the national average during the third quarter of 2021, shown in **Figure 32**. Texas ranked thirty-sixth among the states and ranked twelfth among the 15 most-populous states on this

**FIGURE 31**  
15 MOST POPULOUS STATES PER CAPITA PERSONAL INCOME, CALENDAR YEAR 2020

RANKING	STATE	PER CAPITA PERSONAL INCOME
2	Massachusetts	\$78,458
3	New York	\$74,472
4	New Jersey	\$73,460
5	California	\$70,192
6	Washington	\$67,126
11	Illinois	\$62,930
13	Virginia	\$61,958
15	Pennsylvania	\$61,700
25	Florida	\$55,675
<b>27</b>	<b>Texas</b>	<b>\$55,129</b>
30	Ohio	\$53,641
33	Michigan	\$53,259
36	Georgia	\$51,780
40	North Carolina	\$50,305
42	Arizona	\$49,648
1	Highest: Connecticut	\$78,609
50	Lowest: Mississippi	\$42,129
	<b>U.S. Total</b>	<b>\$59,510</b>

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

measure (with first considered the most expensive state and fiftieth considered the least expensive state).

The ratio of Texas per capita income to U.S. per capita income is an important driver of the Texas state budget. Specifically, this ratio is the determining factor of Texas' federal medical assistance percentage (FMAP) and, thus, the state's share of the cost of the Medicaid program. Typically, when this ratio increases, Texas' FMAP and the federal share of the cost decreases and the state share increases, and vice versa. During the past 20 years, per capita personal income in Texas has fluctuated; it typically has remained less than the U.S. total, as shown in **Figure 33**. The ratio decreased during calendar years 2015 and 2016, primarily because of decreased earnings in the oil and gas industry, and then remained relatively stable during calendar years 2017, 2018, and 2019, before decreasing in 2020. For calendar year 2020, per capita personal income in Texas was approximately 92.6 percent of the U.S. total.

**FIGURE 32**  
15 MOST POPULOUS STATES COST OF LIVING AS PERCENTAGE OF NATIONAL AVERAGE CALENDAR YEAR 2021, THIRD QUARTER

RANKING	STATE	PERCENTAGE COST OF LIVING
2	California	146.9%
3	New York	143.7%
4	Massachusetts	132.5%
9	New Jersey	118.3%
12	Washington	112.8%
15	Arizona	107.0%
19	Florida	101.5%
22	Pennsylvania	100.5%
24	Virginia	98.1%
27	North Carolina	96.4%
34	Ohio	92.9%
<b>36</b>	<b>Texas</b>	<b>92.6%</b>
38	Michigan	91.4%
42	Illinois	90.5%
46	Georgia	89.8%
1	Highest: Hawaii	185.6%
50	Lowest: Mississippi	85.1%
	<b>U.S. Average</b>	<b>100.0%</b>

SOURCE: Missouri Economic Research and Information Center.

**FIGURE 33**  
**PER CAPITA PERSONAL INCOME IN TEXAS AND THE U.S.**  
**CALENDAR YEARS 2001 TO 2020**

YEAR	INCOME		TEXAS AS PERCENTAGE OF U.S.
	TEXAS	U.S.	
2001	\$29,644	\$31,617	93.8%
2002	\$29,524	\$31,839	92.7%
2003	\$30,224	\$32,717	92.4%
2004	\$31,195	\$34,280	91.0%
2005	\$33,276	\$35,868	92.8%
2006	\$35,630	\$38,120	93.5%
2007	\$37,085	\$39,883	93.0%
2008	\$39,946	\$41,026	97.4%
2009	\$37,269	\$39,356	94.7%
2010	\$39,029	\$40,690	95.9%
2011	\$42,011	\$42,783	98.2%
2012	\$44,193	\$44,614	99.1%
2013	\$44,745	\$44,894	99.7%
2014	\$47,273	\$47,017	100.5%
2015	\$47,345	\$48,891	96.8%
2016	\$46,445	\$49,812	93.2%
2017	\$49,055	\$51,811	94.7%
2018	\$51,813	\$54,098	95.8%
2019	\$53,266	\$56,047	95.0%
2020	\$55,129	\$59,510	92.6%

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.



## MAJOR STATE FUNDS

Although more than 400 funds are held in the state Treasury, the General Revenue Fund and a few closely related special funds and accounts play key roles in state finance. Funds and accounts in the state Treasury are not directly equivalent to methods of finance in the GAA.

### GENERAL REVENUE FUND

The General Revenue Fund consists of nondedicated General Revenue Funds and General Revenue–Dedicated Funds accounts. The nondedicated portion of the General Revenue Fund serves as the state’s primary operating fund. Most state tax revenue, many state fees, and various other sources of revenue are deposited as nondedicated General Revenue Funds.

Among the taxes deposited initially to the nondedicated General Revenue Fund are the state sales tax, the franchise tax, motor vehicle sales taxes, alcohol and tobacco taxes, the oil production tax, the natural gas tax, and motor fuel taxes. Expenditures may be made directly from nondedicated General Revenue Funds, or, in some cases, revenue may be transferred from nondedicated General Revenue Funds to special funds or accounts.

Before fiscal year 1991, most of the accounts that now constitute dedicated General Revenue Funds existed as separate special funds outside the General Revenue Fund. A fund consolidation process initiated in 1991 brought almost 200 special funds into the General Revenue Fund as General Revenue–Dedicated accounts.

An important distinction among special funds and General Revenue–Dedicated accounts is that cash balances in the General Revenue–Dedicated accounts are counted as part of the General Revenue Fund balance in determining the amount of cash available for certification of appropriations from the General Revenue Fund; account balances for special funds do not affect the amount of cash available for this certification.

### AVAILABLE SCHOOL FUND

The ASF receives a total distribution from the PSF and one-quarter of net motor fuel taxes. The distribution amount is based upon a total return methodology, which is a percentage of the average market value of the PSF. The distribution rate cannot exceed 6.0 percent of the average market value. The rate is established by the State Board of Education (SBOE), or by the Texas Legislature during biennia when the SBOE fails to establish a rate. Additionally, the General Land Office

is authorized to make direct deposits into the ASF up to \$600.0 million per year. Of this total, any amount in excess of \$300.0 million in any year is considered part of the Tax Reduction and Excellence in Education Fund described subsequently. In addition, one-quarter of the net revenue from state motor fuel taxes is deposited into the fund.

A portion of ASF revenue is transferred to the State Technology and Instructional Materials Fund. It is used to provide free textbooks and technology to students attending Texas public schools. Remaining revenue in the ASF is allocated to school districts per pupil.

CPA estimates revenue deposited to the ASF will total \$3.0 billion for fiscal year 2022 and \$3.1 billion for fiscal year 2023.

### FOUNDATION SCHOOL FUND

One-quarter of occupation taxes—such as the oil production tax, the natural gas production tax, and the gas, water, and electric utility tax—are constitutionally dedicated to public education. The revenue from these taxes initially is deposited to the General Revenue Fund and then transferred to the Foundation School Fund. Legislation passed by the Seventy-fifth Legislature, 1997, statutorily dedicated net lottery proceeds to public education. Those proceeds are deposited to the Foundation School Fund. The Foundation School Fund also receives the revenue from attendance credits purchased by local school districts within the public school finance system. Revenue from the Foundation School Fund is distributed to school districts using Foundation School Program (FSP) formulas and via multiple methods of finance in the GAA. CPA estimates total revenue from occupation taxes, lottery proceeds, and attendance credits to total \$7.2 billion for fiscal year 2022 and \$6.9 billion for fiscal year 2023.

### STATE HIGHWAY FUND

The State Highway Fund (SHF) may be used for highway construction and maintenance, acquisition of rights-of-way, and the policing of public roads. The major revenue sources deposited directly to the fund include motor vehicle registration fees, federal highway funds, and the sales tax on motor lubricants. Motor fuel tax revenue is deposited to the General Revenue Fund, and a significant portion of that amount is allocated to the SHF. Voter approval in November 2014 of Proposition 1 directed additional General Revenue Fund allocations to the SHF based on the performance of oil and gas production taxes. Voter approval in November 2015

of Proposition 7 directed that a portion of sales tax and motor vehicle sales tax are deposited to the SHF beginning in fiscal years 2018 (sales tax) and 2020 (motor vehicle sales tax). CPA estimates revenue deposited to the SHF to total \$14.3 billion for fiscal year 2022 and \$14.1 billion for fiscal year 2023.

### TEXAS MOBILITY FUND

The Texas Constitution, Article III, Section 49-k, was added by amendment in November 2001, establishing the Texas Mobility Fund (TMF). The fund is a revolving fund in the state Treasury and is administered by the Texas Transportation Commission and the Texas Department of Transportation for the design, construction, reconstruction, acquisition, and expansion of state highways. The TMF also can be used in the construction of publicly owned toll roads and other public transportation projects. Subject to CPA's approval and the implementation of a strategic plan that outlines the use of TMF revenues, the Texas Transportation Commission is authorized to sell debt obligations of the state to construct highways, toll roads, or other transportation projects. The Eighty-fourth Legislature, 2015, prohibited the issuance of new TMF obligations, with certain exceptions, after January 1, 2015. Bond obligations are guaranteed with a pledge of the state's full faith and credit if the TMF balance proves insufficient to pay outstanding obligations. In that circumstance, the Legislature must appropriate funds from the Treasury to pay any outstanding obligations. The Legislature may dedicate any taxes or other revenues to the TMF that otherwise are not dedicated by the constitution, namely, motor fuel taxes, lubricant sales taxes, title fees, and motor vehicle registration fees. Deposits include portions of fees for the registration, titling, and inspection of motor vehicles; driver record information; driver licenses; and for state traffic fines and penalties.

### PROPERTY TAX RELIEF FUND

A portion of all revenue collected through the motor vehicle sales and use tax, cigarette and tobacco products tax, and the franchise tax is deposited to the Property Tax Relief Fund (PTRF). Fiscal year 2021 transfers to the PTRF totaled \$3.2 billion. CPA estimates amounts transferred to the fund to total \$2.1 billion for fiscal year 2022 and \$2.3 billion for fiscal year 2023. The PTRF is one of several funds that finances the FSP. Any deposits made to the PTRF will decrease the cost to General Revenue Funds for the FSP by an equal amount.

### TAX REDUCTION AND EXCELLENCE IN EDUCATION FUND

House Bill 3, Eighty-sixth Legislature, 2019, established the Tax Reduction and Excellence in Education (TREE) Fund. CPA is required monthly to deposit an amount of General Revenue Funds into the TREE Fund equal to the sales and use tax revenue collected from marketplace providers during the previous month, less the amount of revenue the CPA estimates would have been collected from marketplace providers prior to the enactment of House Bill 1525, Eighty-sixth Legislature, 2019. CPA estimates amounts transferred to the fund to be \$1.2 million for each fiscal year of the 2022–23 biennium. Similarly to the PTRF, the TREE Fund serves as a method of finance for the FSP.

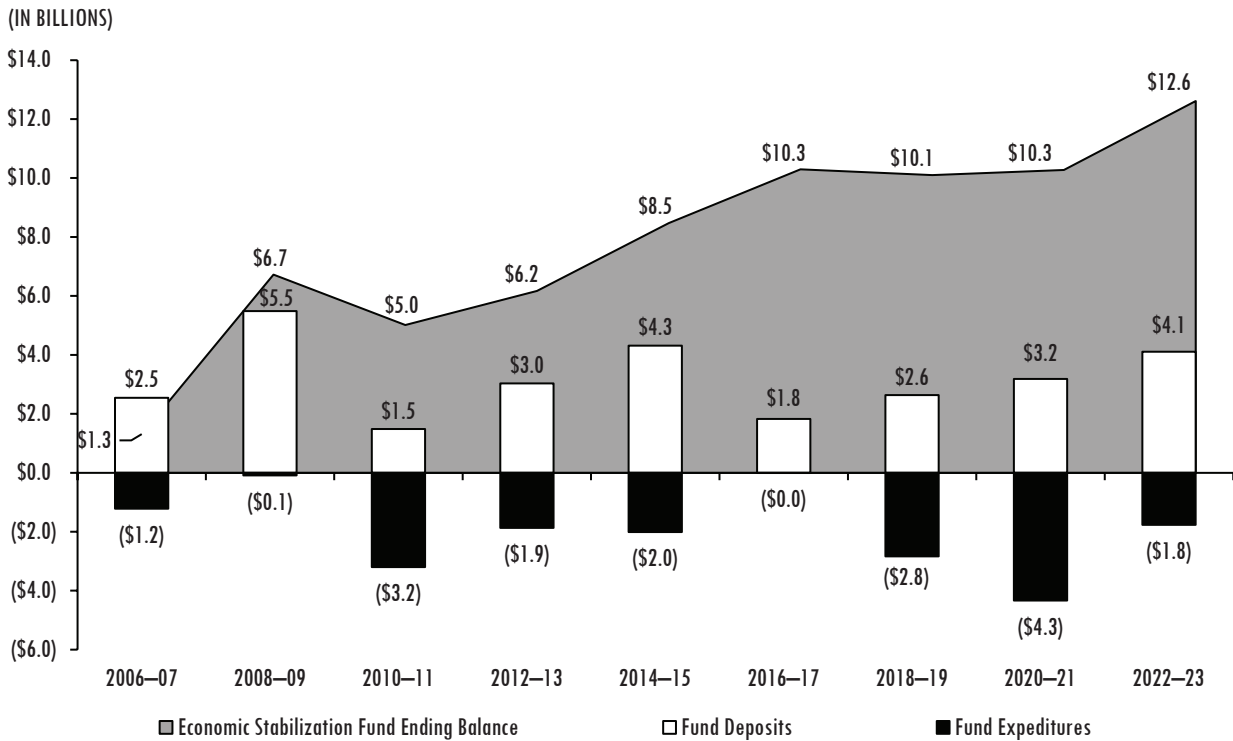
### ECONOMIC STABILIZATION FUND

The Economic Stabilization Fund (ESF) is a constitutional fund approved by voters in November 1988. Whenever collections are sufficient and the balance of the fund is greater than a threshold amount set by the Legislature, the fund receives an amount of General Revenue Funds. Beginning in fiscal year 2022, this threshold amount will be determined by statute instead of by the Legislature. The amount of General Revenue Funds that is deposited to the ESF is equal to 37.5 percent of the amount of tax collections from oil production in excess of 1987 levels, and 37.5 percent of the amount of tax collections from natural gas in excess of fiscal year 1987 levels. If the fund balance is less than the threshold balance, the fund can receive up to 75.0 percent of these excess tax collections. The fund also receives one-half of any unencumbered General Revenue Funds balance at the end of each biennium. The Legislature also may appropriate revenue to the ESF.

Appropriations may be made from the ESF with a three-fifths vote of the members present in each chamber of the Legislature in certain circumstances. These circumstances include when a budget deficit develops during a biennium or when CPA estimates that revenue will decrease from one biennium to the next. Appropriations may be made from the ESF for any purpose at any time with a two-thirds vote of the members present in each chamber of the Legislature.

The ESF ended fiscal year 2021 with a balance of \$10.3 billion. House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, made appropriations from the ESF of \$531.1 million for the 2022–23 biennium. Estimated 2022–23 biennial expenditures total \$1,764.4 million. After transfers to the fund based on oil and natural gas

**FIGURE 34**  
**ECONOMIC STABILIZATION FUND BIENNIAL DEPOSITS, EXPENDITURES, AND FUND BALANCE**  
**2006–07 TO 2022–23 BIENNIA**



NOTE: Fiscal years 2022 to 2023 are projections based on the Comptroller of Public Accounts' 2021 *Certification Revenue Estimate*.  
 SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

production tax revenue, interest income, investment earnings, and the expenditure of appropriations authorized by prior Legislatures, CPA estimates the ESF to end the 2022–23 biennium with a balance of \$12.6 billion. **Figure 34** shows the revenue, expenditure, and balance history of the ESF since fiscal year 2006, and projections for the 2022–23 biennium.

**FEDERAL FUNDS APPROPRIATIONS**

Appropriated Federal Funds for the 2022–23 biennium total \$98,531.6 million, a 7.5 percent decrease from the 2020–21 biennial total of \$106,487.8 million, shown in **Figure 35**. This decrease includes \$13,314.9 million in appropriations made in the Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium, Article XII, from the federal American Rescue Plan Act of 2021 (ARPA).

For comparison purposes, by incorporating Article XII ARPA appropriations into the appropriate functional areas of the budget, the largest shifts in federal funding include a decrease of \$8,486.2 million in the Health and Human Services function, a decrease of \$2,320.0 million in the Higher Education function, a decrease of \$1,874.3 million in the Natural Resources function, and a decrease of \$2,889.8 million in the Business and Economic Development function. These decreases are offset by an increase of \$8,364.8 million in the General Government function. Federal Funds contribute 37.2 percent of the 2022–23 biennial All Funds

budget (shown in **Figure 36**), slightly less than the percentage share (39.4 percent) during the 2020–21 biennium.

Not all federal funding sources directed to Texas are included in these totals. For example, Earned Federal Funds are reimbursements to the state for expenditures already paid with state funds; these funds are included in General Revenue Funds. Most Federal Funds received by higher education institutions and a portion of Medicaid Disproportionate Share Hospital payments also are not included in the Federal Funds totals. Supplemental Nutrition Assistance Program benefits are not appropriated, nor are in-kind federal contributions such as the vaccines the federal government distributes to Texas. Expenditures for federal government salaries and wages, procurement, and direct payments to entities and individuals are not received by the state and, therefore, also are not included in the Federal Funds total.

Most of the Federal Funds that Texas receives, 83.0 percent, are for services provided through the Health and Human Services, Business and Economic Development, and Education functions within the 2022–23 GAA.

**FIGURE 35  
FEDERAL FUNDS BY FUNCTION, 2020–21 TO 2022–23 BIENNIA**

(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
<b>ALL FUNCTIONS</b>				
Article I – General Government	\$1,608.0	\$1,243.7	(\$364.3)	(22.7%)
Article II – Health and Human Services	\$62,074.4	\$50,798.7	(\$11,275.7)	(18.2%)
Article III – Agencies of Education	\$16,526.0	\$12,973.4	(\$3,552.6)	(21.5%)
<i>Public Education</i>	\$12,249.3	\$11,935.3	(\$314.1)	(2.6%)
<i>Higher Education</i>	\$4,276.6	\$1,038.1	(\$3,238.5)	(75.7%)
Article IV – Judiciary	\$4.4	\$4.5	\$0.2	3.5%
Article V – Public Safety and Criminal Justice	\$2,443.5	\$1,327.6	(\$1,115.9)	(45.7%)
Article VI – Natural Resources	\$6,917.6	\$4,859.9	(\$2,057.6)	(29.7%)
Article VII – Business and Economic Development	\$16,904.6	\$13,999.3	(\$2,905.3)	(17.2%)
Article VIII – Regulatory	\$9.3	\$9.5	\$0.2	2.3%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A
<b>Total, Articles I–X</b>	<b>\$106,487.8</b>	<b>\$85,216.7</b>	<b>(\$21,271.1)</b>	<b>(20.0%)</b>
Article XII – American Rescue Plan Act of 2021 (ARPA)		\$13,314.9		
<b>Total, All Articles</b>	<b>\$106,487.8</b>	<b>\$98,531.6</b>	<b>(\$7,956.2)</b>	<b>(7.5%)</b>

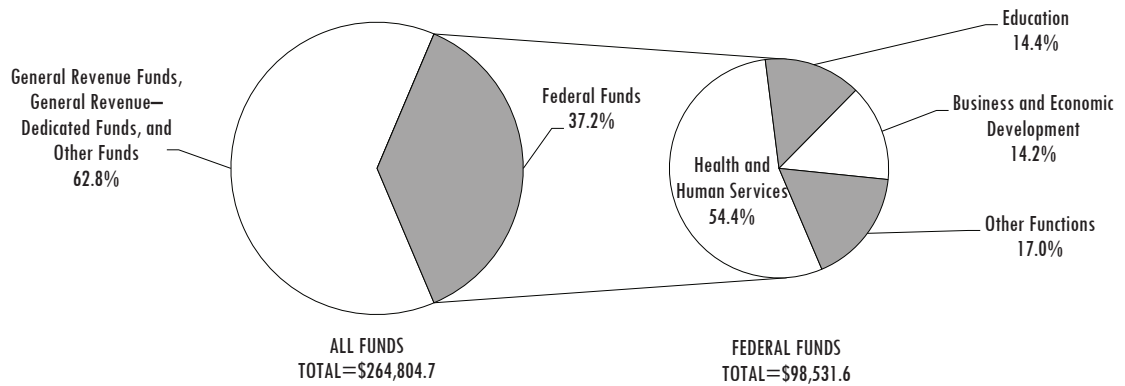
NOTES:

- (1) Estimated/Budgeted amounts for the 2020–21 biennium include supplemental spending adjustments pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.
- (2) Appropriated amounts for the 2022–23 biennium include adjustments pursuant to Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021; and Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021.
- (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 36**  
**FEDERAL FUNDS AS PERCENTAGE OF ALL FUNDS, 2022–23 BIENNIUM**

(IN MILLIONS)

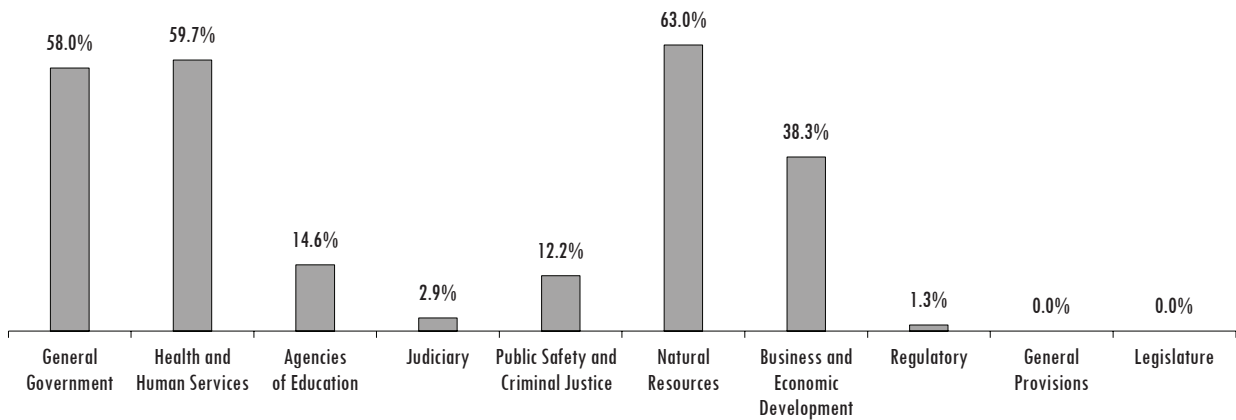


NOTES:

- (1) Other Functions include the following functions: General Government, 10.1%; Natural Resources, 5.1%; Public Safety and Criminal Justice, 1.7%; Judiciary, 0.03%; Regulatory, 0.01%.
- (2) Totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

**FIGURE 37**  
**PERCENTAGE OF EACH FUNCTION'S ALL FUNDS BUDGET THAT IS FEDERAL FUNDS, 2022–23 BIENNIUM**



SOURCE: Legislative Budget Board.

Figure 37 shows each function's Federal Funds as a percentage of the function's All Funds budget.

**HEALTH AND HUMAN SERVICES**

In the 2022–23 GAA, it is estimated that Health and Human Services agencies will receive an estimated \$53,588.2 million in Federal Funds, which is 54.4 percent of the state's total Federal Funds. Federal Funds for these agencies are expected to decrease \$8,486.2 million from 2020–21 biennial levels. This decrease is attributable largely to the Medicaid program, in which Federal Funds decreased by an estimated \$6,000.0 million due to a less favorable

federal medical assistance percentage (FMAP) combined with the assumed loss of a 6.2-percentage-point increase to FMAP pursuant to the federal Families First Coronavirus Response Act, which results in a lower portion of the program being funded with Federal Funds. See **Chapter 5, Health and Human Services**, for additional information related to Medicaid funding. Additionally, a net \$1,800.0 million decrease is anticipated from onetime federal appropriations for COVID-19 pandemic response received by the Department of State Health Services, including federal funding appropriated to the agency pursuant to

Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021.

## BUSINESS AND ECONOMIC DEVELOPMENT

It is estimated that Business and Economic Development agencies will receive \$14,014.8 million in Federal Funds during the 2022–23 biennium, a decrease of \$2,889.8 million from 2021–22 biennial levels. The decrease is attributable primarily to a \$2,400.0 million decrease at the Texas Department of Transportation for lower anticipated federal transportation grant reimbursements in the 2022–23 biennium.

## EDUCATION

The Education agencies account for the second-largest portion of Federal Funds in the state budget. Education agencies are expected to receive \$14,181.2 million in Federal Funds during the 2022–23 biennium (14.4 percent of the state's total Federal Funds), a net decrease of \$2,344.8 million from 2020–21 biennial levels. Most of the decrease is attributable to an anticipated decrease in the Texas Division of Emergency Management's federal emergency grant funding related to the agency's COVID-19 pandemic response.

## OTHER FUNCTIONS

Federal Funds for the remaining functions—General Government, Judiciary, Public Safety and Criminal Justice, Natural Resources, and Regulatory—are estimated to total \$16,737.8 million (17.0 percent) of the state's federal receipts during the 2022–23 biennium.

## LOCAL REVENUE

Property taxes and local sales and use taxes are levied by school districts, counties, cities, metropolitan transit authorities, and special districts. Although these revenues are not appropriated, these collections may affect state appropriations.

### PROPERTY TAXES

Property taxes are levied by school districts, counties, cities, and special districts. The variety of special districts includes the following entities: junior colleges, hospitals, rural fire-fighting, municipal utilities, flood control, navigation, and economic development reinvestment zones.

### TAXABLE VALUES

Gross taxable property values, adjusted for productivity valuation, totaled \$984.7 billion for calendar year 2000. Productivity valuation is a measure of land value based on the land's ability to produce income from agriculture or timber operations. By calendar year 2020, adjusted gross property values totaled \$3,458.8 billion, an increase of 251.3 percent from the 2000 level. For calendar year 2020, net taxable school district property values increased \$158.7 billion, or 5.6 percent from the calendar year 2019 amount, shown in **Figure 38**. Since 2000, net taxable school district property values decreased once, from calendar years 2009 to 2010, shown in **Figure 39**.

For calendar year 2000, school district exemptions accounted for \$120.4 billion of reduced taxable value. By calendar year 2020, this amount increased to \$469.8 billion, a \$349.4 billion increase from 2000 levels. For calendar year 2020, approximately 71.7 percent of the total exemption amount was attributable to the state-mandated residential homestead exemptions, the 10.0 percent residential homestead appraisal valuation cap, and the property tax freeze for qualified homeowners age 65 or older, shown in **Figure 40**.

### PROPERTY TAX LEVIES

For calendar year 2019, the most recent year for which complete property tax data is available, 4,256 local taxing units levied \$67.3 billion in property taxes, an increase of \$3.5 billion, or 5.5 percent from the 2018 level. As shown in **Figure 41**, school districts levied the highest amount of property taxes for calendar year 2019 at \$36.2 billion, followed by cities at \$11.2 billion, counties at \$11.0 billion, and special districts at \$8.9 billion. The levy imposed by school districts for calendar year 2019 was 3.9 percent higher than for calendar year 2018.

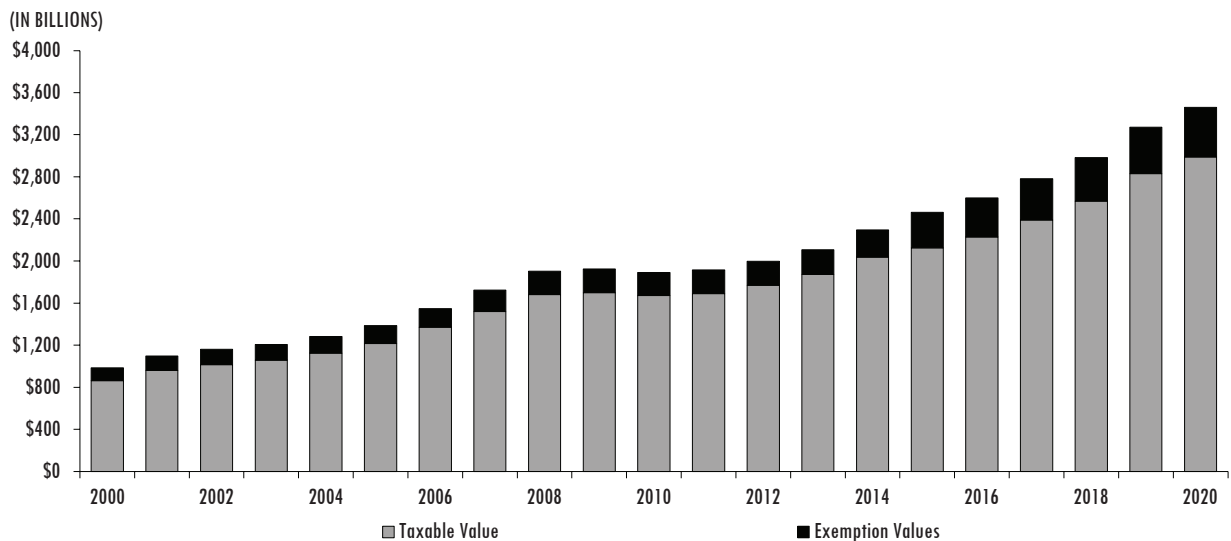
**FIGURE 38**  
**SCHOOL DISTRICT NET TAXABLE PROPERTY VALUES, CALENDAR YEARS 2019 AND 2020**

(IN BILLIONS)

PROPERTY	2019	2020	PERCENTAGE CHANGE
A. Single-family Residences	\$1,634.6	\$1,730.8	5.9%
B. Multifamily Residences	\$219.2	\$244.7	11.7%
C1. Vacant Platted Lots and Tracts	\$55.4	\$58.0	4.7%
C2. Colonia Lots	\$0.2	\$0.1	(51.4%)
D1. Real Property: Qualified Acres	\$13.5	\$13.3	(1.8%)
D2. Real Property: Farm and Ranch	\$4.5	\$4.8	7.0%
E. Real Property: Nonqualified Acres	\$103.2	\$111.5	8.1%
F1. Commercial Real	\$510.5	\$547.8	7.3%
F2. Industrial Real	\$163.3	\$182.6	11.8%
G. Oil, Gas, Minerals	\$139.1	\$120.8	(13.2%)
J. Utilities	\$87.5	\$97.9	11.9%
L1. Commercial Personal	\$175.9	\$181.4	3.1%
L2. Industrial Personal	\$133.0	\$132.8	(0.2%)
M. Mobile Homes and Other Personal	\$8.0	\$8.8	9.4%
N. Intangible Personal	\$0.0	\$0.0	344.0%
O. Residential Inventory	\$14.2	\$14.9	5.2%
S. Special Inventory	\$8.1	\$8.6	6.3%
<b>Total Market Value</b>	<b>\$3,270.2</b>	<b>\$3,458.8</b>	<b>5.8%</b>
Less Exemptions	(\$439.9)	(\$469.8)	6.8%
<b>Net Taxable Value</b>	<b>\$2,830.3</b>	<b>\$2,989.0</b>	<b>5.6%</b>

SOURCE: Comptroller of Public Accounts.

**FIGURE 39**  
**SCHOOL DISTRICT PROPERTY VALUES, CALENDAR YEARS 2000 TO 2020**



SOURCE: Comptroller of Public Accounts.

**FIGURE 40**  
**SCHOOL PROPERTY TAX EXEMPTIONS, CALENDAR YEARS 2019 AND 2020**

(IN MILLIONS)				
EXEMPTION	2019	PERCENTAGE OF TOTAL	2020	PERCENTAGE OF TOTAL
State Homestead and Disabled Veterans	\$170,292.0	38.7%	\$176,690.0	37.6%
Homestead Appraisal Valuation Cap	\$44,529.8	10.1%	\$37,870.1	8.1%
Tax Freeze on Over-65 Homesteads	\$115,789.9	26.3%	\$122,073.2	26.0%
<b>Subtotal, Homestead Exemption Value</b>	<b>\$330,611.7</b>	<b>75.2%</b>	<b>\$336,633.3</b>	<b>71.7%</b>
Other	\$109,321.7	24.9%	\$133,153.7	28.3%
<b>Total Exemptions</b>	<b>\$439,933.4</b>	<b>100.0%</b>	<b>\$469,787.0</b>	<b>100.0%</b>

SOURCE: Comptroller of Public Accounts.

**FIGURE 41**  
**PROPERTY TAX LEVIES, CALENDAR YEARS 1999 TO 2019**

(IN MILLIONS)						
TAX YEAR	SCHOOL DISTRICT	CITY	COUNTY	SPECIAL DISTRICT	TOTAL PROPERTY TAXES	CHANGE FROM PRIOR YEAR
1999	\$12,009.9	\$3,248.0	\$2,979.3	\$2,041.0	\$20,278.2	6.4%
2000	\$13,392.3	\$3,530.9	\$3,200.9	\$2,389.1	\$22,513.2	11.0%
2001	\$15,155.2	\$3,884.8	\$3,566.9	\$2,703.5	\$25,310.4	12.4%
2002	\$16,418.8	\$4,186.8	\$3,849.7	\$2,864.5	\$27,319.8	7.9%
2003	\$17,264.2	\$4,415.2	\$4,121.8	\$3,092.3	\$28,893.4	5.8%
2004	\$18,534.0	\$4,607.8	\$4,462.8	\$3,369.1	\$30,973.6	7.2%
2005	\$20,194.9	\$4,901.8	\$4,772.7	\$3,609.6	\$33,479.0	8.1%
2006	\$20,918.1	\$5,323.0	\$5,339.6	\$3,972.2	\$35,552.9	6.2%
2007	\$18,874.2	\$5,890.3	\$5,837.0	\$4,513.1	\$35,114.6	(1.2%)
2008	\$21,233.5	\$6,451.0	\$6,342.7	\$4,952.7	\$38,980.0	11.0%
2009	\$21,780.1	\$6,593.8	\$6,526.7	\$5,133.8	\$40,034.4	2.7%
2010	\$21,558.3	\$6,755.4	\$6,567.1	\$5,392.5	\$40,273.3	0.6%
2011	\$22,001.6	\$6,810.0	\$6,742.9	\$4,926.1	\$40,480.6	0.5%
2012	\$23,072.8	\$7,055.0	\$7,064.7	\$5,543.4	\$42,735.9	5.6%
2013	\$24,854.7	\$7,324.4	\$7,537.7	\$5,529.4	\$45,246.3	5.9%
2014	\$26,792.7	\$7,828.6	\$8,115.0	\$6,370.5	\$49,106.7	8.5%
2015	\$28,176.5	\$8,380.4	\$8,689.5	\$6,954.1	\$52,200.6	6.3%
2016	\$29,854.8	\$9,165.2	\$9,027.4	\$8,031.4	\$56,078.9	7.4%
2017	\$32,132.6	\$9,730.4	\$9,531.7	\$8,010.2	\$59,405.0	5.9%
2018	\$34,876.9	\$10,387.8	\$10,036.6	\$8,469.3	\$63,770.6	7.3%
2019	\$36,246.5	\$11,152.2	\$11,000.6	\$8,887.2	\$67,286.5	5.5%

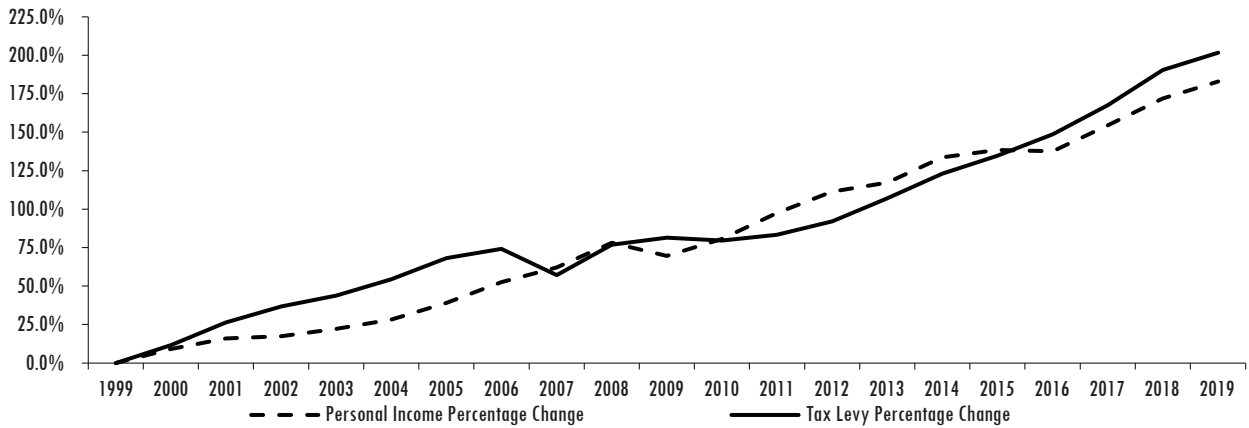
SOURCE: Comptroller of Public Accounts.

From calendar years 1999 to 2019, statewide property tax levies increased by \$47.0 billion, or 231.8 percent. School district levies increased by the largest amount, \$24.2 billion, accounting for 51.6 percent of the total increase. For 1999, school districts levied approximately

\$12.0 billion in property taxes, 59.2 percent of property taxes levied in the state. By 2019, school districts levied \$36.2 billion in property taxes, for 53.9 percent of total property taxes. **Figure 42** shows the percentage change in total school property tax levies and total personal



**FIGURE 42**  
**ANNUAL SCHOOL DISTRICT TAX LEVY AND ANNUAL PERSONAL INCOME PERCENTAGE CHANGES**  
**CALENDAR YEARS 1999 TO 2019**



SOURCES: Comptroller of Public Accounts; U.S. Department of Commerce, Bureau of Economic Analysis.

**FIGURE 43**  
**LOCAL SALES TAX REMITTANCES, CALENDAR YEARS 2018 TO 2020**

(IN MILLIONS)	2018		2019			2020		
	REMITTED	PERCENTAGE OF TOTAL	REMITTED	PERCENTAGE OF TOTAL	PERCENTAGE INCREASE	REMITTED	PERCENTAGE OF TOTAL	PERCENTAGE INCREASE
Cities	\$5,923.7	64.6%	\$6,202.7	64.3%	4.7%	\$6,225.2	64.6%	0.4%
Transit authorities	\$2,022.2	22.1%	\$2,111.5	21.9%	4.4%	\$2,067.0	21.4%	(2.1%)
Counties	\$573.5	6.3%	\$601.8	6.2%	4.9%	\$592.2	6.1%	(1.6%)
Special districts	\$650.1	7.1%	\$725.3	7.5%	11.6%	\$756.2	7.8%	4.3%
<b>Total</b>	<b>\$9,169.5</b>		<b>\$9,641.2</b>		<b>5.1%</b>	<b>\$9,640.6</b>		<b>0.0%</b>

SOURCE: Comptroller of Public Accounts.

income from 1999 to 2019. During this period, school district levies increased at an average annual rate of 5.7 percent, which is 0.4 percentage points more than the 5.3 percent average annual increase in personal income in Texas.

**LOCAL SALES TAX**

Local governmental entities, such as cities, counties, metropolitan transit authorities, and special districts, may impose local sales and use taxes. State law caps the combined rate set by local jurisdictions at 2.0 percent. The taxes are administered and collected by CPA and then remitted back to the local jurisdiction. **Figure 43** shows the remittances for calendar years 2018 to 2020.

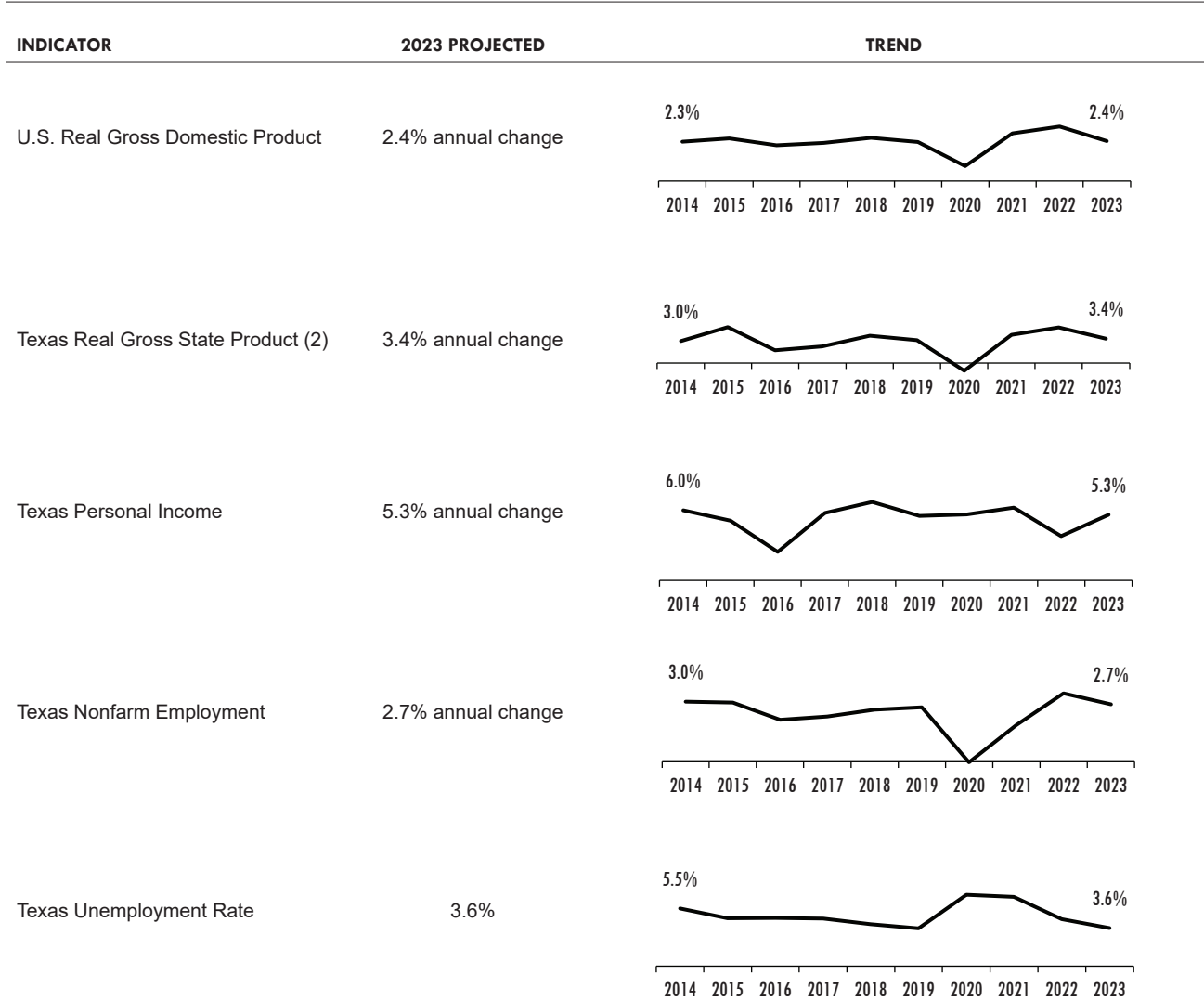
## ECONOMIC INDICATORS

The Texas economy rebounded strongly during fiscal year 2021, after the ripple effects from business closures associated with the COVID-19 pandemic led to a steep decrease in economic activity in fiscal year 2020. Texas' Real Gross State Product (RGSP) decreased at the largest rate during fiscal year 2020 since the statistic has been recorded. However, reduced business restrictions and a corresponding rapid increase in production led to an RGSP growth rate of 4.1 percent during fiscal year 2021. Similarly, Texas employment growth decreased by 2.6 percent during fiscal year 2020, which also was the largest decrease in the

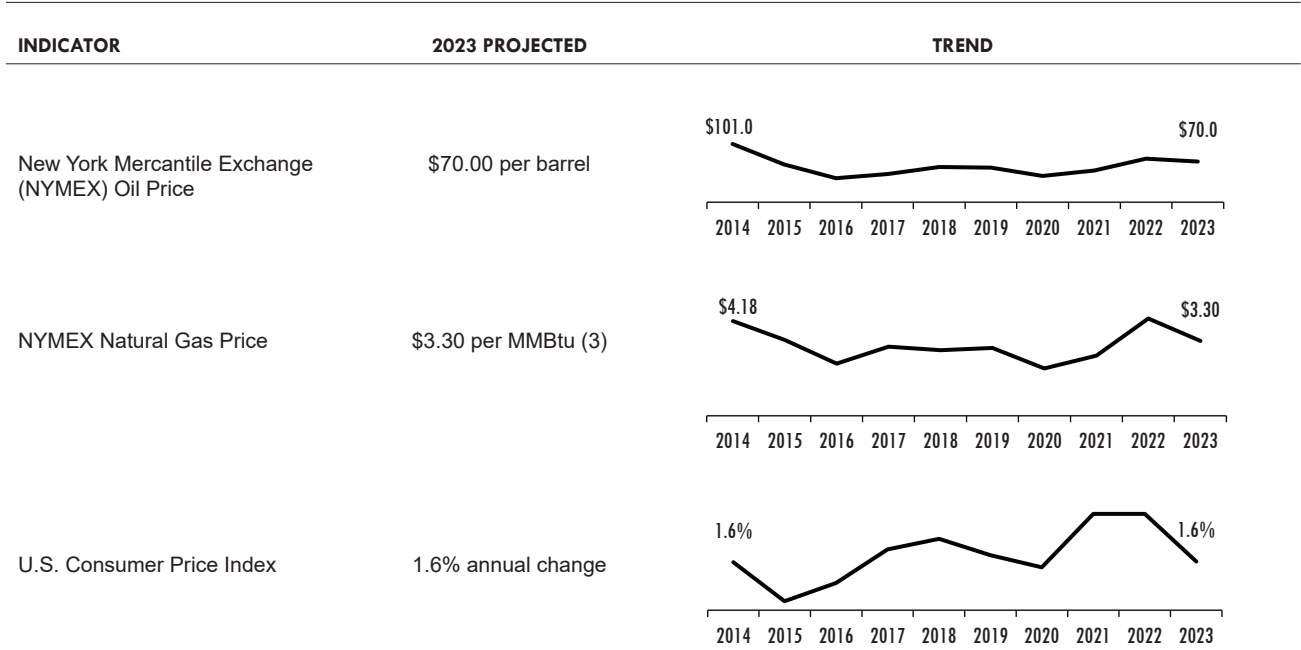
state's history. However, employment growth is projected to rebound by 0.8 percent in fiscal year 2021 and 3.7 percent in fiscal year 2022. Overall, Texas is recovering at a rate comparable to the U.S. average. The state has recouped nearly four-fifths of the jobs lost during fiscal year 2020, slightly more than the corresponding three-fourths rate for the U.S. Most industries are approaching their pre-pandemic levels of employment, and several have fully recovered, including core professional and financial services.

Figure 44 shows the recent historical values of several Texas economic indicators and the Comptroller of Public Accounts' most recent forecast of these values for the 2022–23 biennium.

**FIGURE 44**  
**TEXAS ECONOMIC-BASED INDICATORS, FISCAL YEARS 2014 TO 2023 (1)**



**FIGURE 44 (CONTINUED)**  
**TEXAS ECONOMIC-BASED INDICATORS, FISCAL YEARS 2014 TO 2023 (1)**



NOTES:

- (1) Trends for fiscal years 2021 to 2022 are based on projections from the Comptroller of Public Accounts' *Certification Revenue Estimate*, November 2021.
- (2) Amounts for the Gross State Product are based on 2012 dollars.
- (3) MMBtu=million British thermal units.

SOURCES: Legislative Budget Board; Comptroller of Public Accounts.



### 3. SUMMARY OF SIGNIFICANT FISCAL LEGISLATION

This chapter provides brief summaries of those bills and joint resolutions passed by the Eighty-seventh Legislature, 2021, all sessions, that will affect significantly the fiscal condition or that represent the material change to the fiscal operation of the state. The chapter is divided into four sections: (1) legislation with significant implications for the state budget or operations; (2) legislation that materially affects state fiscal policy; (3) legislation that affects information technology and contract oversight; and (4) significant tax and revenue legislation. Bills and joint resolutions are shown in alphanumeric order by session within each of the sections.

#### BILLS WITH SIGNIFICANT BUDGETARY OR OPERATIONAL IMPLICATIONS

##### HOUSE BILL 2

The Texas Constitution authorizes the Legislature to consider and adopt budget bills, referred to as General Appropriations Bills, during regular or special legislative sessions. To maintain the operation of state government, the Legislature passes the bills to provide funding to state agencies and institutions of higher education for the upcoming biennium. As discussed in the preceding **State Budget Overview** chapter, Senate Bill 1 provides funding for the 2022–23 biennium. However, the Legislature may consider additional bills that modify existing spending levels and authority for the current and upcoming fiscal periods. Such bills commonly are referred to as supplemental appropriations bills and include appropriations and provisions that can be effective for up to a two-year period. As deemed necessary by the Legislature or the Governor, one or more items in a supplemental bill may be designated as an emergency as authorized by the Texas Constitution, Article III, Section 5. **Figure 45** shows the 15 supplemental bills enacted since fiscal year 2005.

The Eighty-seventh Legislature, Regular Session, 2021, passed House Bill 2, which reduces appropriations by a total of \$3,408.4 million in All Funds, representing a decrease of \$5,082.8 million in General Revenue Funds and General Revenue–Dedicated Funds, an increase of \$531.1 million in Other Funds from the Economic Stabilization Fund (ESF), an increase of \$580.9 million in Other Funds, and an increase of \$562.4 million in Federal Funds for fiscal year 2021, as shown in **Figure 46**.

**FIGURE 45**  
**SUPPLEMENTAL APPROPRIATIONS BILLS**  
**2004–05 TO 2022–23 BIENNIA**

LEGISLATIVE SESSION	BILL
Eighty-seventh, Third Called, 2021	Senate Bill 8
Eighty-seventh, Second Called, 2021	House Bill 9
Eighty-seventh, Second Called, 2021	House Bill 5
Eighty-seventh, Regular, 2021	House Bill 2
Eighty-sixth, Regular, 2019	Senate Bill 500
Eighty-fifth, Regular, 2017	House Bill 2
Eighty-fourth, Regular, 2015	House Bill 2
Eighty-third, Regular, 2013	House Bill 1025
Eighty-third, Regular, 2013	House Bill 10
Eighty-second, Regular, 2011	House Bill 4
Eighty-second, Regular, 2011	House Bill 275
Eighty-first, Regular, 2009	House Bill 4586
Eightieth, Regular, 2007	House Bill 15
Seventy-ninth, Third Called, 2006	House Bill 63
Seventy-ninth, Regular, 2005	House Bill 10

SOURCE: Legislative Budget Board.

Some of the significant appropriations and savings in House Bill 2 include the following amounts:

- \$5,152.2 million savings in General Revenue Funds to the Foundation School Program resulting from updated projections including increased district property values growth, lower-than-anticipated average daily attendance rates, increased non-General Revenue Funds revenues, and federal funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act;
- \$2,409.8 million savings in General Revenue Funds from COVID-19 pandemic-related federal stimulus funds for reimbursements for salaries of public health and public safety employees. Combined with \$1,583.3 million in fiscal year 2020 lapses, certification savings total \$3,993.2 million;
- \$577.0 million savings in General Revenue Funds and General Revenue–Dedicated Funds from agencies’ 5.0 percent reductions directed by state leadership. Combined with \$216.3 million in fiscal year 2020 lapses, certification savings total \$793.3 million;

**FIGURE 46**  
**HOUSE BILL 2, REGULAR SESSION, APPROPRIATIONS, FISCAL YEAR 2021**

(IN MILLIONS)	GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS	ECONOMIC STABILIZATION FUND	OTHER FUNDS	FEDERAL FUNDS	ALL FUNDS
General Government	\$2,048.6	\$71.3	\$128.5	\$216.5	\$2,464.9
Health and Human Services	(\$268.0)	\$321.3	\$33.0	\$345.0	\$431.2
Public Education	(\$5,124.3)	\$0.0	\$0.0	\$0.0	(\$5,124.3)
Higher Education	(\$299.0)	\$63.6	\$0.0	\$0.0	(\$235.4)
Judiciary	(\$7.6)	\$0.0	\$0.0	\$0.0	(\$7.6)
Public Safety and Criminal Justice	(\$1,400.1)	\$25.0	\$0.0	\$1.0	(\$1,374.1)
Natural Resources	(\$32.5)	\$50.0	\$0.0	\$0.0	\$17.5
Business and Economic Development	(\$3.2)	\$0.0	\$419.4	\$0.0	\$416.2
Regulatory	\$3.2	\$0.0	\$0.0	\$0.0	\$3.2
<b>Total</b>	<b>(\$5,082.8)</b>	<b>\$531.1</b>	<b>\$580.9</b>	<b>\$562.4</b>	<b>(\$3,408.4)</b>

NOTE: Totals may not sum due to rounding.  
 SOURCE: Legislative Budget Board.

- \$76.0 million savings in General Revenue Funds from debt service and lease payments at the Texas Facilities Commission, Texas Public Finance Authority, and the Health and Human Services Commission;
- \$1,020.0 million in All Funds appropriated to the Employees Retirement System to implement the provisions of Senate Bill 321, Eighty-seventh Legislature, Regular Session, 2021, relating to benefit contributions. This amount includes \$678.3 million in General Revenue Funds, \$52.0 million in General Revenue–Dedicated Funds, \$118.3 million in Other Funds, and \$171.4 million in Federal Funds;
- \$893.3 million in All Funds appropriated for information technology (IT), including \$269.2 million in General Revenue Funds, \$12.3 million in General Revenue–Dedicated Funds, and \$611.8 million in Other Funds and Federal Funds. Project amounts include \$64.6 million for Cybersecurity, \$431.8 million for Legacy System Modernization, \$219.0 million for other IT projects, \$159.3 million for Data Center Services, and \$18.6 million for deployment of the Centralized Accounting and Payroll/Personnel System;
- \$582.8 million in All Funds appropriated for statewide capital needs including \$301.2 million in General Revenue Funds, \$40.0 million from the ESF, and \$241.6 million in Other Funds and Federal Funds to various agencies;
- \$255.4 million in All Funds for public safety initiatives and vehicles, including \$133.7 million to the Texas Department of Public Safety (DPS), \$22.4 million to the Texas Military Department, \$50.0 million to the Trusteed Programs within the Office of the Governor, \$14.9 million to the Texas Parks and Wildlife Department, and \$12.4 million to other agencies. Pursuant to Senate Bill 2222, Eighty-seventh Legislature, Regular Session, 2021, House Bill 2 also provides no more than \$22.0 million from the ESF to DPS to purchase bullet-resistant windshields for patrol vehicles;
- \$1,000.0 million in General Revenue Funds appropriated to the Comptroller of Public Accounts to deposit into the Property Tax Relief Fund, which would establish a beginning balance in the fund to support the Foundation School Program for the 2022–23 biennium;
- \$271.2 million in General Revenue Funds appropriated to the Comptroller of Public Accounts to fund the Texas Guaranteed Tuition Plan;
- \$223.8 million in General Revenue Funds appropriated to the Texas Department of Criminal Justice. Of this amount, \$123.7 million is to fill a shortfall in correctional managed healthcare, \$86.0 million is for agency operations, and \$14.1 million for the purchase of vehicles;
- \$44.0 million in General Revenue Funds appropriated to the Texas Education Agency for Special Education Maintenance of Effort supporting a negotiated legal

settlement between the State of Texas and the U.S. Department of Education;

- \$5.7 million in General Revenue Funds appropriated to South Texas College to correct a calculation error in state contributions for health benefits;
- \$5.0 million in General Revenue Funds appropriated to the Texas Commission on Environmental Quality for litigation expenses related to the Rio Grande Compact;
- \$3.4 million in General Revenue Funds appropriated to the Department of Agriculture for food bank programs and home-delivered meals;
- \$6.5 million from General Revenue–Dedicated Account No. 9, Game, Fish, and Water Safety, to the Texas Parks and Wildlife Department for the purchase of a law enforcement helicopter;
- \$321.3 million appropriated from the ESF to the Health and Human Services Commission for capital needs including \$276.5 million to complete construction of replacement campuses at Austin State Hospital and at San Antonio State Hospital and \$44.8 million to begin planning efforts to build new state hospitals in the Dallas area;
- \$56.4 million appropriated from the ESF to Texas A&M Forest Service for natural disaster response;
- \$50.0 million appropriated from the ESF to the General Land Office to preserve and maintain the Alamo and Alamo Complex;
- \$36.3 million appropriated from the ESF to the Texas Facilities Commission for Capitol Complex construction and to various agencies for moving expenses;
- \$36.1 million appropriated from the ESF to the State Preservation Board for Capitol projects;
- \$25.0 million appropriated from the ESF to the Texas Historical Commission for courthouse preservation grants;
- \$7.2 million appropriated from the ESF to Lamar University and Lamar State College – Orange, for hurricane and tropical storm recovery; and
- \$5.5 million appropriated from the ESF to the Texas Historical Commission for the National Museum of the Pacific War.

#### **HOUSE BILL 5**

House Bill 5 establishes the Broadband Development Office (BDO) within the office of the Comptroller of Public Accounts (CPA). The legislation requires BDO to establish a program to award grants, low-interest loans, and other financial incentives to applicants for the purpose of expanding access to and adoption of broadband services in eligible designated areas. The legislation also requires BDO to establish and publish criteria for making awards, post application information and award recipients on CPA's website, accept written protests about eligibility criteria for awards, and establish and annually update a state map of areas designated eligible or ineligible for BDO program incentives.

The Eighty-seventh Legislature, Regular Session, 2021, appropriated \$5.0 million in General Revenue Funds and 5.0 full-time-equivalent positions to the Fiscal Programs within the Office of the Comptroller of Public Accounts to implement the legislation. The agency also is appropriated \$500.5 million from the federal Coronavirus Capital Projects Fund for the purpose of providing broadband infrastructure.

#### **HOUSE BILL 7**

House Bill 7 amends the Texas Labor Code, Chapter 204, regarding the replenishment ratio used to determine an employer's unemployment compensation contribution to the federal Unemployment Trust Fund Account's tax rate. The legislation prohibits the Texas Workforce Commission from including unemployment benefits paid from and not effectively charged to an employer's account in the calculation of the replenishment ratio if those benefits occurred as a result of an order or proclamation by the Governor that declares at least 50.0 percent of Texas counties to be in a state of disaster or emergency.

#### **HOUSE BILL 133**

House Bill 133 provides benefits in accordance with Medicaid and the Healthy Texas Women (HTW) program and transitions HTW to a managed care program. The legislation extends Medicaid coverage for women enrolled during pregnancy from up to two months after giving birth to at least six months after delivery or miscarriage. The legislation requires the Health and Human Services Commission (HHSC) to contract with managed care organizations to provide HTW program services and evaluate the feasibility, cost-effectiveness, and benefits of automatically enrolling women into a managed care plan while enrolled in HTW. House Bill 133 also transitions

Medicaid case management services for children and pregnant women currently provided by the Department of State Health Services to a managed care model. HHSC received \$118.9 million in All Funds, including \$46.4 million in General Revenue Funds, for the 2022–23 biennium and 43.0 full-time-equivalent positions in fiscal year 2023 to implement the legislation.

**HOUSE BILL 1525**

House Bill 1525 makes various changes to public education funding and requirements related to school accountability, personnel, and instruction. The legislation modifies the Foundation School Fund formulas, including establishing the Gifted and Talented Allotment and amending the calculation of the following elements: the Career and Technology Education Allotment; the Fast Growth Allotment; the College, Career, and Military Readiness Outcomes Bonus; the Formula Transition Grant; and Recapture Payments. The legislation also modifies and extends grant programs for students with autism and dyslexia, establishes the Texas Commission on Special Education Funding to develop recommendations for financing special education, and directs the expenditure of \$1.3 billion in COVID-19 pandemic-related federal stimulus funds for public education.

The legislation makes several changes to education policy affecting student instruction. Significant changes include the establishment of new programs and requirements related to student academic performance, including a tutoring program to provide supplemental instruction and resource campus designations for certain school district campuses that receive an accountability rating of F. The legislation also includes changes relating to human sexuality instruction, including new requirements for the adoption of curriculum and parental consent.

See the **Chapter 6** section on the **Texas Education Agency** for additional details regarding House Bill 1525.

**HOUSE BILL 4492**

House Bill 4492 directs the Comptroller of Public Accounts to invest not more than \$800.0 million from the Economic Stabilization Fund in debt obligations issued by the Electric Reliability Council of Texas for the purpose of financing substantial balances owed by wholesale market participants as a result of Winter Storm Uri in February 2021.

**FIGURE 47**  
**HOUSE BILL 5, SECOND CALLED SESSION,**  
**APPROPRIATIONS, 2022–23 BIENNIUM**  
 (IN MILLIONS)

FUNCTION	GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS
General Government	\$201.7
Health and Human Services	\$90.0
Public Education	\$815.7
Judiciary	\$4.3
Legislature	\$315.9
<b>Total</b>	<b>\$1,427.6</b>

NOTE: Totals may not sum due to rounding.  
 SOURCE: Legislative Budget Board.

**HOUSE BILL 4545**

House Bill 4545 makes various changes to the system of assessing public school students and establishes the Strong Foundations Grant Program. Among its provisions, the legislation removes certain grade promotion requirements of the State of Texas Assessments of Academic Readiness (STAAR) and establishes accelerated learning committees and instruction for students who do not perform satisfactorily on grades three, five, and eight reading and math and all end-of-course STAAR assessments. The Strong Foundations Grant Program requires program participants to implement a rigorous school approach that combines high-quality instruction, materials, and support structures for students from prekindergarten to grade five.

**HOUSE BILL 5, SECOND CALLED SESSION**

House Bill 5 increases appropriations by a total of \$1,427.6 million in General Revenue Funds for the 2022–23 biennium, as shown in **Figure 47**.

House Bill 5 includes the following significant appropriations:

- \$701.1 million in General Revenue Funds appropriated to the Teacher Retirement System of Texas to provide a onetime supplemental payment to current annuitants;
- \$315.9 million in General Revenue Funds appropriated to fund the Legislature and legislative support agencies;
- \$180.0 million in General Revenue Funds appropriated to the Truusted Programs within the



Office of the Governor for the purpose of supporting Texas Anti-Gang programs in cities with populations greater than 500,000;

- \$100.0 million in General Revenue Funds appropriated to the Texas Education Agency to offset reduced property tax revenue from Senate Bill 8, Eighty-seventh Legislature, Second Called Session, 2021, which enables taxpayers with a residence homestead exemption to receive a prorated exemption in the year the taxpayer acquires the property;
- \$90.0 million in General Revenue Funds appropriated to the Department of Family and Protective Services to provide supplemental payments and grants to foster care providers; and
- \$17.4 million in General Revenue Funds appropriated to the Department of Information Resources for the purpose of providing cybersecurity enhancements for the state.

**HOUSE BILL 9, SECOND CALLED SESSION**

House Bill 9 increases appropriations by \$1,802.6 million in General Revenue Funds for the 2022–23 biennium, as shown in **Figure 48**. House Bill 9 includes the following significant appropriations:

- \$1,020.3 million in General Revenue Funds appropriated to the Truvested Programs within the Office of the Governor to provide funding for border security operations;
- \$301.0 million in General Revenue Funds appropriated to the Texas Military Department to provide funding for additional personnel to support border security operations;
- \$273.7 million in General Revenue Funds appropriated to the Texas Department of Criminal Justice to provide funding for correctional security operations;
- \$154.8 million in General Revenue Funds appropriated to the Department of Public Safety for the following areas:
  - 52 weeks of Operation Lone Star surge costs;
  - purchasing tactical marine unit vessels; and
  - additional full-time-equivalent positions; and

**FIGURE 48  
HOUSE BILL 9, SECOND CALLED SESSION,  
APPROPRIATIONS, 2022–23 BIENNIUM**

(IN MILLIONS) FUNCTION	GENERAL REVENUE FUNDS AND GENERAL REVENUE- DEDICATED FUNDS
General Government	\$1,024.1
Health and Human Services	\$16.4
Judiciary	\$32.5
Public Safety and Criminal Justice	\$729.7
<b>Total</b>	<b>\$1,802.6</b>

NOTE: Totals may not sum due to rounding.  
SOURCE: Legislative Budget Board.

- \$32.5 million in General Revenue Funds appropriated to the Office of Court Administration, Texas Judicial Council to provide funding for indigent legal representation, foreign language interpreters for courts, increased staff functions, equipment purchases, and program administration costs.

**SENATE BILL 22**

Senate Bill 22 authorizes the payment of claims related to certain public safety staff who suffer from severe acute respiratory syndrome related to the coronavirus (SARS-CoV-2) or coronavirus disease (COVID-19). The legislation provides workers’ compensation benefits to certain staff, including custodial officers, detention officers, firefighters, peace officers, and emergency medical technicians, based on the presumption of those staff having contracted SARS-CoV-2 or COVID-19 during the course and scope of their employment, and additionally applies to claims previously denied and subsequently resubmitted. The legislation also establishes healthcare reimbursement procedures for injured staff. The State Office of Risk Management estimates the payment of previously denied claims, if resubmitted and approved, to be approximately \$22.1 million.

**SENATE BILL 321**

Senate Bill 321 changes the contribution structure and retirement benefits for members of the Employees Retirement System of Texas and the Law Enforcement and Custodial Officer Supplemental Fund (LECOS). The legislation restructures the retirement benefit for members of both plans hired on or after September 1, 2022, from an average salary defined benefit to a cash balance defined benefit. Members hired after this date will contribute 6.0 percent of their compensation into an individual account, which is guaranteed an annual 4.0 percent interest and opportunity

for an additional 3.0 percent in gain sharing depending on trust fund annual investment returns. These employees will be vested after five years of service and will receive a lifetime annuity equal to the member's accumulated balance plus a state match of 150.0 percent of that account balance at retirement. LECOS members will contribute an additional 2.0 percent to the LECOS cash balance benefit, which receives a 300.0 percent state match benefit.

The legislation also requires the state to make legacy payments in the amount necessary to amortize the system's unfunded actuarial liability no later than the end of fiscal year 2054.

#### **SENATE BILL 1295**

Senate Bill 1295 establishes a model for outcomes-based funding for degrees awarded to at-risk students at comprehensive regional universities as defined by the Texas Higher Education Coordinating Board's (THECB) peer group definitions. Subject to available appropriations, eligible institutions may receive a base appropriation of \$500,000 or greater and \$1,000 or greater per the average number of at-risk degrees awarded during the three preceding years. An at-risk student is defined as an undergraduate who scored less than the national mean on the SAT or ACT college assessments or who previously has received a federal Pell Grant. In addition to the appropriations provisions, the legislation also requires THECB to study and report on the equity and effectiveness of the funding methodology.

Appropriations were not provided during the Regular Session to execute the intention of the legislation; however, federal funding of \$20.0 million, which provides for a lesser amount per institution than what is stipulated in the bill, is appropriated in Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021.

#### **SENATE BILL 1336**

Beginning fiscal year 2024, Senate Bill 1336 establishes a new statutory limit on the growth of consolidated General Revenue appropriations, which includes General Revenue Funds and General Revenue–Dedicated Funds. The legislation limits the biennial growth of consolidated General Revenue appropriations to the estimated average biennial rate of growth of the state's population during the state fiscal biennium preceding the biennium for which appropriations are made, adjusted by the estimated average biennial rate of monetary inflation in the state during the same period. If the calculated rate is negative, consolidated General Revenue

appropriations for the forthcoming biennium cannot exceed that of the current biennium.

Any appropriation to provide tax relief or to pay costs associated with recovery from a disaster declared by the Governor is not subject to the calculation. A three-fifths vote of the members in each chamber of the Legislature is required to exceed the new limit.

#### **SENATE BILL 6, SECOND CALLED SESSION**

Senate Bill 6 requires any person to be eligible for bail unless denial of bail is expressly permitted by the Texas Constitution or by other law. The legislation requires the Office of Court Administration (OCA) to develop a public safety report system that is standardized for statewide use and available for the purpose of setting bail. The legislation requires a magistrate setting bail to consider the public safety report for a defendant charged with a Class B misdemeanor or higher category of offense, to consider a defendant's criminal history and immigration status before setting bail, and to grant or deny bail within 48 hours of the defendant's arrest. The magistrate is required to set bail at the least restrictive and minimum amount necessary to ensure the defendant's appearance in court and the safety of the community, law enforcement, and the victim of the offense. Pursuant to the legislation's provisions, certain defendants are ineligible for release on personal bond.

The legislation also imposes certain filing and reporting requirements on charitable bail organizations.

The Eighty-seventh Legislature, Second Called Session, 2021, appropriated \$4.3 million in All Funds, including \$2.3 million in General Revenue Funds and \$2.0 million in General Revenue–Dedicated Funds from Account No. 5157, Statewide Electronic Filing System, to OCA to implement the legislation.

#### **SENATE BILL 8, THIRD CALLED SESSION**

Senate Bill 8 increases appropriations by a total of \$13,314.9 million in Federal Funds for the 2022–23 biennium, as shown in **Figure 49**. Senate Bill 8 includes the following significant appropriations:

- \$7,245.4 million for the state's Unemployment Compensation Fund;
- \$2,000.0 million 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 victims assistance, sexual assault, crime victims 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 TRS-ActiveCare and TRS-Care claims related to the COVID-19 pandemic;
- \$200.0 million for cybersecurity projects;
- \$180.0 million for tourism, travel, and hospitality; and
- \$816.1 million for various other purposes.

## FISCAL MATTERS AND FUND ACCOUNTING

### HOUSE BILL 18

House Bill 18 requires the Health and Human Services Commission (HHSC) to develop and implement a prescription drug savings program that partners with a pharmacy benefit manager to make certain prescription drugs available at a discounted rate to uninsured individuals. The legislation establishes a trust fund outside the state Treasury to administer the program and provide program services and requires HHSC to ensure that money spent from the trust fund to assist enrollees in purchasing prescription drugs is cost neutral after collecting drug rebates through the program. HHSC received \$32.6 million in General Revenue Funds and 8.4 full-time-equivalent positions to begin the program no later than January 1, 2022. The trust fund did not receive an appropriation.

### HOUSE BILL 1520

House Bill 1520 authorizes the Railroad Commission of Texas (RRC) to authorize the issuance of up to \$10.0 billion in customer rate relief bonds whose proceeds would be used to offset extraordinary costs incurred by gas utilities during a natural or other disaster, system failure, or other catastrophic event that otherwise would be passed to the customer. The bonds are to be issued through the Texas Public Finance Authority (TPFA) on behalf of RRC, which is required to

**FIGURE 49**  
**SENATE BILL 8, THIRD CALLED SESSION, APPROPRIATIONS**  
**2022–23 BIENNIUM**

(IN MILLIONS)	
FUNCTION	FEDERAL FUNDS
General Government	\$8,729.1
Health and Human Services	\$2,789.5
Public Education	\$289.3
Higher Education	\$918.5
Judiciary	\$24.1
Public Safety and Criminal Justice	\$365.5
Natural Resources	\$183.3
Business and Economic Development	\$15.5
<b>Total</b>	<b>\$13,314.9</b>

NOTE: Totals may not sum due to rounding.  
SOURCE: Legislative Budget Board.

issue a financing order that must include a statement of aggregated regulatory asset determination and final maturity.

The legislation authorizes the establishment of a bankruptcy-remote, special-purpose entity intended to hold financial assets pledged as security for repayment of the bonds, including future assessments and fees receivable from utilities customers. Bond proceeds, including investment income, must be deposited with a trustee selected by TPFA or held by the Comptroller of Public Accounts in a dedicated trust fund outside of the Treasury and can be used only to reimburse gas utilities as determined in the financing order, pay the financing costs of issuing the bonds, and provide bond reserves. Any excess funds remaining may be used to provide credits to gas utility customers. The bonds are the sole obligation of the assignee or issuing financing entity and will not be an obligation of the state or any gas utility company.

### HOUSE BILL 2896

Each session, starting with the Seventy-fourth Legislature, 1995, the Legislature has passed a funds consolidation bill.

Like previous funds consolidation bills, House Bill 2896 abolishes all funds, accounts, and revenue dedications established or reestablished by the Eighty-seventh Legislature, except those specifically exempted by the legislation's provisions. The legislation continues the provision making unappropriated revenue and balances in General Revenue–Dedicated Funds accounts available for general governmental purposes and certification of General Revenue Fund appropriations by the Comptroller of Public Accounts.

**HOUSE BILL 3271**

House Bill 3271 establishes the Micro-Business Capital Access Program to facilitate capital access for microbusinesses that are hindered economically by natural disasters. The program is administered by a community development financial institution (CDFI) and financed through zero-interest loans provided by the Texas Economic Development Bank (TEDB) in the Office of the Governor. The program is funded by direct appropriations and revenue generated by the program. The legislation requires a participating CDFI to submit quarterly and annual reports to TEDB, which is required to issue annual reports on the program.

House Bill 3271 establishes the Micro-Business Recovery Fund as a dedicated account in the General Revenue Fund. The legislation requires a participating CDFI to maintain a loan-default reserve fund consisting of borrower fees and deposits from TEDB and entitles the state to earn interest on reserve fund deposits.

**SENATE BILL 3**

Senate Bill 3 establishes the Texas Energy Reliability Council, composed partially of members from the Railroad Commission of Texas (RRC), the Public Utility Commission (PUC), and the Texas Commission on Environmental Quality (TCEQ), to report on the reliability of the electricity supply chain in Texas no later than November 1 of each even-numbered year. The legislation also establishes the Texas Electricity Supply Chain Security and Mapping Committee to map and identify critical infrastructure sources in the electricity supply chain. The committee includes members of the PUC, RRC, and Texas Division of Emergency Management (TDEM) and is tasked with establishing best practices to prepare electric and natural gas service facilities to maintain service in extreme weather events. The committee is required to develop and maintain a database identifying critical infrastructure sources and to maintain the electricity supply chain map, both of which must be updated annually.

The legislation requires the Department of Public Safety (DPS) to develop and implement a power outage alert system with the cooperation of the Texas Department of Transportation, TDEM, PUC, and the Office of the Governor. TDEM is required to develop disaster-preparedness educational materials and suggested actions for state agencies and the public, and RRC and PUC are required to establish rules and processes for critical gas suppliers and critical electric suppliers, respectively, to follow during energy emergencies. Both

agencies are authorized to set and enforce penalties for facilities that do not meet those rules. RRC and PUC, respectively, will analyze gas supply chain facilities' and electric utilities' emergency operations plans and submit reports no later than September 30 of even-numbered years to the Legislature. The legislation requires certain affected utilities to submit emergency preparedness plans to TCEQ by March 1, 2022, and to implement the approved plans by July 1, 2022. The Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium, Article IX, Section 18.28, Contingency for Senate Bill 3, provides \$35.7 million in All Funds to TDEM, RRC, PUC, and TCEQ to implement the legislation.

**INFORMATION TECHNOLOGY AND CONTRACT OVERSIGHT****HOUSE BILL 4018**

House Bill 4018 establishes the Technology Improvement and Modernization Fund in the state Treasury outside the General Revenue Fund to improve and modernize state agency information resources including legacy system and cybersecurity projects. The fund consists of appropriations, money received from the federal government for the purposes of improving and modernizing state agency information resources, gifts, grants, donations, and earned interest.

The legislation also establishes a six-member Joint Oversight Committee on Investment in Information Technology Improvement and Modernization Projects to review and report to the Legislature on projects to improve or modernize state agency information technology (IT) systems, the method of funding and amount necessary to fully fund each project, and strategies to ensure a long-term investment solution for IT projects, including strategies to access federal funding. The Department of Information Resources is required to provide staff support and technical assistance to the committee, which is abolished on September 1, 2026.

**SENATE BILL 475**

Senate Bill 475 establishes the Data Management Advisory Committee, composed of the chief data officer of the Department of Information Resources (DIR) and data management officers designated by state agencies with at least 150 full-time employees. DIR is required to develop a state risk and authorization management program to provide

a standardized approach for security, authorization, and monitoring of cloud computing services.

The legislation requires DIR to establish a framework for regional cybersecurity working groups to execute mutual aid agreements and identify cybersecurity experts and resources to assist in response to and recovery from a cybersecurity event in Texas.

The legislation authorizes DIR to partner with a university system or institution of higher education to establish regional network security centers to support cybersecurity and network security for state agencies' regional offices and local governments. The legislation establishes a Texas Volunteer Incident Response Team under DIR's direction to provide rapid-response assistance to participating entities of a cybersecurity incident. DIR is required to develop the conditions and fees associated with participating entities receiving response team assistance, in addition to the requirements for volunteering on the response team.

Senate Bill 475 also restricts a state agency's use of certain personal or identifiable information and prohibits state agencies from using global positioning system technology, individual contact tracing, or technology intended to obtain biometric identifiers to acquire individuals' personal or locational information.

#### **SENATE BILL 799**

Senate Bill 799 makes substantive changes affecting contract reporting to the Legislative Budget Board. The legislation increases the threshold for reporting construction, professional services, and consulting contracts from \$14,000 to \$50,000. The reporting deadline for these contracts and major information system contracts is increased from 10 days to 30 days.

Senate Bill 799 changes various thresholds regarding purchasing authority and requirements. State agencies are delegated authority for purchases not exceeding \$50,000, an increase from \$15,000. CPA may delegate authority to purchase goods and services exceeding \$50,000. The legislation requires state agencies to utilize competitive bidding for purchases exceeding \$10,000, up from \$5,000, and to solicit bids from vendors on the master bidders list for purchases that exceed \$25,000, an increase from \$15,000. For commodity purchases from \$1.0 million to \$10.0 million, the legislation requires agencies to solicit bids from at least six vendors. For commodity purchases from \$5.0 million to \$10.0 million, a state agency may utilize CPA's

designated purchasing methods. The legislation prohibits state agencies from awarding commodity contracts of more than \$10.0 million.

Senate Bill 799 also provides new requirements for CPA's procurement and contract management guide. The guide must include instructions to assist state agencies in identifying procurements that require additional personnel, an outline for the training state agencies must provide to their procurement evaluators, the information agencies must include in a contract file on the evaluator for procurements exceeding \$20.0 million, a model communications procedure for vendors and agency employees, and a requirement that agencies notify interested parties at least two months before issuing solicitations for procurements exceeding \$20.0 million.

## **TAX AND REVENUE**

### **HOUSE BILL 1195**

House Bill 1195 changes how certain types of revenue taxpayers receive from the federal government is considered to calculate their franchise tax liability. The legislation excludes from a taxpayer's total revenue calculation a qualifying loan or grant received from legislation enacted by the federal government in response to the COVID-19 pandemic. The legislation also authorizes any expenses paid with the qualifying loans or grants to be included in the taxpayer's costs of goods sold or compensation deduction, to the extent that the expenses otherwise would be includable. House Bill 1195 is projected to reduce Texas franchise tax revenue by \$220.9 million through the end of the 2022–23 biennium.

### **HOUSE BILL 1256**

House Bill 1256 requires CPA to deposit 1.0 percent of Mixed Beverage Gross Receipts and Mixed Beverage Sales Tax revenue to the credit of General Revenue–Dedicated Account No.5184, Specialty Court. CPA estimates that House Bill 1256 will result in a cost to the General Revenue Fund of \$20.3 million in the 2022–23 biennium.

### **SENATE BILL 8, SECOND CALLED SESSION**

Senate Bill 8 provides that an individual who acquires a residence homestead after January 1 may receive a residence homestead property tax exemption on the property prorated for the portion of the year in which the individual qualified for the exemption. The legislation specifies that taxes owed should be prorated if the exemption terminates during the year.

To the extent that homestead property tax exemptions take effect sooner than pursuant to prior law, costs to the Foundation School Fund will increase. The provisions of the legislation requiring the exemption to be prorated during a year in which the exemption is terminated will reduce costs to the Foundation School Fund. Senate Bill 8 also entitles school districts to additional state aid to offset any reductions in state and local revenue that may result from implementing the legislation.

**SENATE JOINT RESOLUTION 2 AND SENATE BILL 12,  
SECOND CALLED SESSION**

Senate Bill 12 would reduce the school district property tax limitation on the residence homesteads of homestead owners that are age 65 and older or disabled, contingent upon voter approval of the constitutional amendment proposed by Senate Joint Resolution 2 at an election May 7, 2022. The legislation modifies the current tax limitation to provide that residence homestead owners who receive the value limitation also would benefit from tax rate reductions and ongoing tax rate compression passed by the Eighty-sixth Legislature, 2019.

The legislation also would entitle school districts to additional state aid to offset any reductions in state and local revenue that would have been available had the homestead exemption not increased. If voters approve the constitutional amendment, the decreased value limitation will apply beginning with fiscal year 2024. The Comptroller of Public Accounts estimates that implementing the legislation would result in no costs to the state in the 2022–23 biennium, but would result in a cost of \$467.5 million to the Foundation School Fund in the 2024–25 biennium.

**SENATE JOINT RESOLUTION 2 AND SENATE BILL 1,  
THIRD CALLED SESSION**

Senate Bill 1 would increase the mandatory homestead exemption for school districts from \$25,000 to \$40,000, contingent upon voter approval of the constitutional amendment proposed by Senate Joint Resolution 2 at an election May 7, 2022.

The legislation also would entitle school districts to additional state aid to offset any reductions in state and local revenue that would have been available if the homestead exemption had not increased. If voters approve the constitutional amendment, the increased homestead exemption would apply beginning in fiscal year 2023. The Comptroller of Public Accounts estimates increasing the homestead exemption would result in a cost of \$355.3 million in fiscal year 2023, increasing to a cost of \$436.6 million in fiscal year 2026.

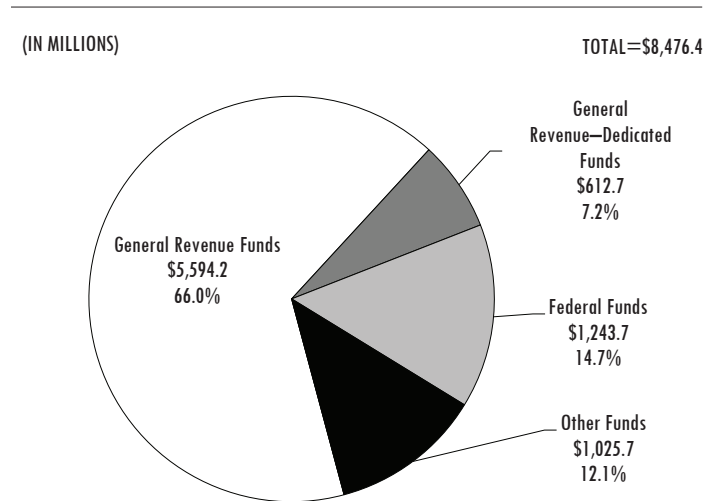
## 4. GENERAL GOVERNMENT

General Government agencies provide a variety of public and state administrative support services. Included in the functional area are executive-branch elective offices established by the Texas Constitution such as the Office of the Governor, the Comptroller of Public Accounts, and the Office of the Attorney General. In addition to the elective offices, other agencies are responsible for various functions, including the following: oversight and management of state debt; administration of state employee healthcare and retirement benefits; oversight of state and federal election laws; preservation of the state’s cultural and historic resources; veterans’ education and job training programs; management of information technology and telecommunications services; oversight of building construction and maintenance programs; and administration of cancer prevention and research programs.

**FIGURE 50**  
**ARTICLE I – GENERAL GOVERNMENT, BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$5,125.0	\$5,594.2	\$469.3	9.2%
General Revenue–Dedicated Funds	\$855.5	\$612.7	(\$242.8)	(28.4%)
Federal Funds	\$1,608.0	\$1,243.7	(\$364.3)	(22.7%)
Other Funds	\$2,016.6	\$1,025.7	(\$990.8)	(49.1%)
<b>Total, All Methods of Finance</b>	<b>\$9,605.0</b>	<b>\$8,476.4</b>	<b>(\$1,128.6)</b>	<b>(11.8%)</b>

**SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)**



**SIGNIFICANT DEVELOPMENTS**

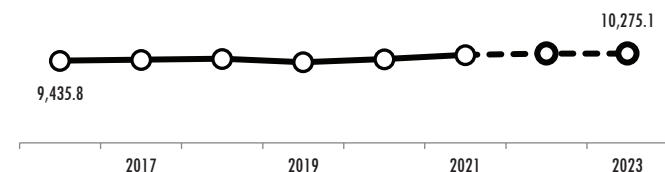
Fiscal Programs within the Comptroller of Public Accounts **decreased by \$265.6 million** primarily due to **supplemental appropriations during fiscal year 2021 for the Texas Guaranteed Tuition Plan.**

Funding for the Texas Facilities Commission **decreased by \$866.2 million** primarily due to the removal of **onetime capital project appropriations and unexpended balances** from the 2020–21 biennium and supplemental funding for that biennium provided in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.

Funding for the Trusteed Programs within the Office of the Governor increased **\$909.6 million** primarily due to appropriations for **border security, including border wall construction.**

Funding for the Employees Retirement System of Texas decreased by **\$1,020.0 million**, primarily due to **supplemental appropriations** during fiscal year 2021 for **legacy payments to reduce the system’s unfunded actuarial liability.**

**FULL-TIME-EQUIVALENT POSITIONS**



**NOTES:**

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent positions show actual positions for fiscal years 2016 to 2020, budgeted positions for fiscal year 2021, and appropriated positions for fiscal years 2022 and 2023.

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

**FIGURE 51**  
**ARTICLE I – GENERAL GOVERNMENT APPROPRIATED BY AGENCY, ALL FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
Commission on the Arts	\$27.6	\$23.0	(\$4.6)	(16.6%)
Office of the Attorney General	\$1,324.0	\$1,337.5	\$13.5	1.0%
Bond Review Board	\$1.7	\$1.8	\$0.1	4.7%
Cancer Prevention and Research Institute of Texas	\$594.6	\$600.1	\$5.5	0.9%
Comptroller of Public Accounts	\$628.3	\$661.9	\$33.6	5.3%
Fiscal Programs within the Office of the Comptroller of Public Accounts	\$1,558.1	\$1,292.5	(\$265.6)	(17.0%)
Commission on State Emergency Communications	\$151.3	\$128.5	(\$22.8)	(15.1%)
Texas Emergency Services Retirement System	\$3.9	\$3.9	\$0.0	0.5%
Employees Retirement System	\$1,048.8	\$27.5	(\$1,021.3)	(97.4%)
Texas Ethics Commission	\$7.0	\$6.4	(\$0.7)	(9.9%)
Facilities Commission	\$1,017.1	\$150.9	(\$866.2)	(85.2%)
Public Finance Authority	\$3.2	\$3.4	\$0.2	7.7%
Office of the Governor	\$35.2	\$23.6	(\$11.5)	(32.8%)
Trusted Programs within the Office of the Governor	\$1,794.8	\$2,704.3	\$909.6	50.7%
Historical Commission	\$141.4	\$72.9	(\$68.4)	(48.4%)
Department of Information Resources	\$918.2	\$946.1	\$27.9	3.0%
Library and Archives Commission	\$74.8	\$74.8	\$0.0	0.0%
Pension Review Board	\$2.7	\$2.3	(\$0.5)	(17.7%)
Preservation Board	\$68.3	\$19.4	(\$48.9)	(71.5%)
State Office of Risk Management	\$102.5	\$102.5	\$0.0	0.0%
Secretary of State	\$189.5	\$125.4	(\$64.1)	(33.8%)
Veterans Commission	\$115.0	\$117.2	\$2.2	1.9%
<b>Subtotal, General Government</b>	<b>\$9,807.9</b>	<b>\$8,425.9</b>	<b>(\$1,381.9)</b>	<b>(14.1%)</b>
Employee Benefits and Debt Service	\$803.1	\$1,017.2	\$214.1	26.7%
Less Interagency Contracts	\$1,005.9	\$966.7	(\$39.3)	(3.9%)
<b>Total, All Functions</b>	<b>\$9,605.0</b>	<b>\$8,476.4</b>	<b>(\$1,128.6)</b>	<b>(11.8%)</b>

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.

## MAJOR FUNDING

The 2022–23 biennial funding levels of General Government agencies decreased by \$1.1 billion compared to 2020–21 biennial spending levels. Significant changes include the following components:

- funding for the **Commission on the Arts** totals \$23.0 million in All Funds for the 2022–23 biennium, which is a decrease of \$4.6 million from the 2020–21 biennium, primarily due to the removal of funding for onetime items in the previous biennium;

- funding for the **Office of the Attorney General** totals \$1.3 billion in All Funds for the 2022–23 biennium, which is an increase of \$13.5 million from the 2020–21 biennium. This is attributed primarily to an increase of \$69.2 million in funding for Compensation to Victims of Crime (CVC) and Sexual Assault Programs for victims and an increase of \$43.3 million for pending litigation in State of Texas v. Google, LLC. These increases are partially offset by supplemental appropriations of \$68.4



million during fiscal year 2021 for the Child Support IT Modernization Project;

- the **Cancer Prevention and Research Institute of Texas** is funded at \$600.1 million for the 2022–23 biennium, which is an increase of \$5.5 million from the 2020–21 biennium. This increase is due primarily to \$6.2 million in new General Obligation Bond Proceeds to be transferred to the Department of State Health Services to administer the Cancer Registry for the 2022–23 biennium;
- funding for the **Comptroller of Public Accounts** totals \$661.9 million in All Funds for the 2022–23 biennium, which is an increase of \$33.6 million from the 2020–21 biennium. The increase is related primarily to the reinstatement of General Revenue Funds reduced during the 2020–21 biennium for salaries and information technology projects;
- funding for **Fiscal Programs within the Comptroller of Public Accounts** totals \$1.3 billion in All Funds for the 2022–23 biennium, a decrease of \$265.6 million from the 2020–21 biennium. The decrease is attributed primarily to supplemental appropriations of \$271.2 million during fiscal year 2021 for the Texas Guaranteed Tuition Plan and is offset by an increase of \$23.4 million for the Texas Bullion Depository in the 2022–23 biennium;
- funding for the **Commission on State Emergency Communications** totals \$128.5 million in All Funds for the 2022–23 biennium, a decrease of \$22.8 million from the 2020–21 biennium. The decrease is attributed primarily to the exit of the North Central Texas Council of Government (NCTCOG) during the 2020–21 biennium, as well as a long term decline in revenues from emergency service fees levied on wireless and wired phone lines;
- funding for the **Employees Retirement System of Texas** totals \$27.5 million in All Funds for the 2022–23 biennium, a decrease of \$1,020.0 million from the 2020–21 biennium. The decrease is primarily due to supplemental appropriations during fiscal year 2021 for legacy payments to reduce the system’s unfunded actuarial liability;
- funding for the **Texas Ethics Commission** totals \$6.4 million in All Funds for the 2022–23 biennium, which is a decrease of \$0.7 million

from the 2020–21 biennium, due primarily to the removal of onetime technology funding from the previous biennium;

- funding for the **Texas Facilities Commission** totals \$150.9 million in All Funds for the 2022–23 biennium, which is a net decrease of \$866.2 million in All Funds from the 2020–21 biennium. This decrease is due primarily to the removal of onetime capital project appropriations and unexpended balances from 2020–21 biennium, including funding for construction of facilities within the North Austin Complex and Capitol Complex and deferred maintenance projects. The decrease additionally includes supplemental appropriations provided for fiscal year 2021 for various projects, most notably \$76.5 million for health and safety improvements and deferred maintenance projects, \$40.0 million for acquisition of land and construction of a multi-purpose building, and \$34.7 million for completion and move-in of tenant agencies into the new Capitol Complex Phase I buildings;
- funding for the **Office of the Governor** totals \$23.6 million in All Funds for the 2022–23 biennium, which is a decrease of \$11.5 million from the 2020–21 biennium. This decrease is primarily due to unexpended balances carried forward from the 2018-19 biennium into the 2020–21 biennium and expended by the agency;
- funding for the **Trusteed Programs within the Office of the Governor** Commission totals \$2.7 billion in All Funds for the 2022–23 biennium, which is an increase of \$909.6 million from the 2020–21 biennium. This is primarily due to appropriations for border security, including border wall construction;
- funding for the **Historical Commission** totals \$72.9 million in All Funds for the 2022–23 biennium, which is a decrease of \$68.4 million from the 2020–21 biennium, primarily due to supplemental appropriations during fiscal year 2021 of \$25.0 million for courthouse preservation grants; \$5.5 million for the National Museum of the Pacific War; and \$2.5 million for remediation of deferred maintenance of the agency’s facilities. Additionally, the agency received funding increases for several items for the 2022–23 biennium, most notably \$8.1 million for courthouse grants;

- funding for the **Department of Information Resources** totals \$946.1 million in All Funds, primarily in Other Funds from Interagency Contracts and Appropriated Receipts, for the 2022–23 biennium, an increase of \$27.9 million from the 2020–21 biennium. The increase is due primarily to an increase of \$6.2 million for Data Center Services for the estimated growth in usage of services by customer agencies and other entities; an increase of \$12.1 million to provide additional IT security services, including multifactor authentication and a regional security operations center; and an increase of \$10.7 million for telecommunications funding due to estimated increases in customer usage of data and voice services;
- funding for the **State Preservation Board** totals \$19.4 million in All Funds for the 2022–23 biennium, a decrease of \$48.9 million from the 2020–21 biennium. The decrease is due primarily to supplemental appropriations during fiscal year 2021 of \$33.6 million for performing renovations to the Texas Capitol and the Capitol Extension; \$2.5 million for performing repairs and renovations to the Texas State History Museum; and \$1.4 million for the state cemetery repairs and improvements;
- funding for the **Secretary of State** totals \$125.4 million in All Funds for the 2022–23 biennium, which is a decrease of \$64.1 million from the 2020–21 biennium. This is largely due to a decrease of \$50.0 million in remaining fund balances for the Help America Vote Act (HAVA) grant and a decrease of \$39.5 million due to the expiration of federal grants related to the COVID-19 pandemic. The decreases also represent a supplemental appropriation of \$18.2 million in fiscal year 2021 for the replacement of the Business Entity Secured Transaction (BEST) system used for business filings. Additional funding of \$38.3 million is provided for a grant program to replace counties' voting machines with auditable voting machines; and
- funding for the **Veterans Commission** (TVC) totals \$117.2 million in All Funds for the 2022–23 biennium, which is an increase of \$2.2 million from the 2020–21 biennium. The increase is related primarily to an addition of \$1.4 million and 13.0 full-time-equivalent positions to fully staff and support all remaining Department of Veterans Affairs (VA)

Outpatient Clinics that were not previously staffed with a TVC healthcare advocate and additional funding of \$0.1 million to relocate to a newly constructed building within the Capitol Complex.

## TEXAS COMMISSION ON THE ARTS

**PURPOSE:** To advance the state of Texas economically and culturally by supporting a diverse and innovative arts community through resources that enhance economic development, arts education, cultural tourism, and artist sustainability initiatives.

**ESTABLISHED:** 1965

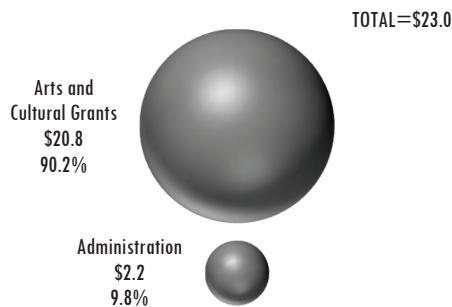
**AUTHORIZING STATUTE:** The Texas Government Code, §444.001

**GOVERNANCE:** Commission—nine members appointed by the Governor with advice and consent of the Senate

**FIGURE 52**  
**TEXAS COMMISSION ON THE ARTS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$24.1	\$20.3	(\$3.8)	(15.7%)	<b>2022</b> 14.0  <b>2023</b> 14.0
General Revenue–Dedicated Funds	\$0.0	\$0.0	(\$0.0)	(81.8%)	
Federal Funds	\$2.8	\$2.2	(\$0.6)	(21.8%)	
Other Funds	\$0.7	\$0.5	(\$0.2)	(27.9%)	
<b>Total, All Methods of Finance</b>	<b>\$27.6</b>	<b>\$23.0</b>	<b>(\$4.6)</b>	<b>(16.6%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The agency received an **additional \$0.2 million** in Federal Funds intended to aid Texas-based arts organizations.

For the 2022–23 biennium, the agency received **\$10.0 million** in General Revenue Funds for **cultural district programs**. The agency will offer 80 Arts Respond Cultural District Project grants for fiscal year 2022.

**Arts Respond Projects in Education** will serve **1.5 million individuals** during the 2022–23 biennium.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Funding for the Texas Commission on the Arts (TCA) includes a decrease of \$4.6 million, or 16.6 percent, in All Funds primarily due to the following changes: a decrease of \$3.8 million in General Revenue Funds from onetime funding for projects in the 2020–21 biennium; a decrease of \$0.6 million in Federal Funds from a onetime award disbursed to organizations affected by the COVID-19 pandemic; and a decrease of \$0.2 million in Appropriated Receipts from donations and License Plate Trust Fund Account 802 reflecting the anticipated decline of license plate revenue.

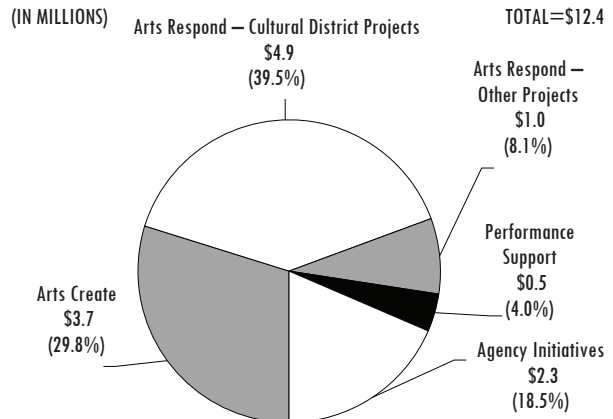
**PROGRAMS**

The agency carries out responsibilities through two major program areas: (1) arts and cultural grants; and (2) administration.

TCA’s primary function is providing financial assistance to local entities through grants in three broad categories: Arts Create, Arts Respond, and Performance Support and Agency Initiatives. Arts Create grants provide operational support, and the latter two categories provide support to projects in at least one of the following priority areas: economic development, education, health and human services, natural resources and agriculture, and public safety and criminal justice. **Figure 53** shows the agency’s funding allocation for the grant categories for fiscal year 2022. To promote effective grant distribution, agency staff consults with grant recipients on grant-writing procedures and presents webinar trainings, workshops, and seminars on issues of particular relevance to applicants. Agency staff also conduct site visits of grant recipients to monitor and evaluate the use of grant funds. The agency’s website provides links to arts information and services throughout the state, professional development resources, an online grant application system, and online evaluation report forms. During fiscal year 2021, the agency received approximately 1,800 applications requesting nearly \$40.0 million in grants; of this amount, the agency awarded \$15.7 million to 1,778 applicants.

The Arts Create program provides operational support grants to nonprofit and local government arts organizations for administration, exhibits, performances, production, touring exhibitions, and other core programs. The agency awards Arts Create grants to arts organizations in five categories: established arts organizations with operating budgets of greater than \$5.0 million; those with operating budgets from \$1.0 million to \$5.0 million; those with budgets from \$50,000 to less than \$1.0 million; established minority arts organizations with

**FIGURE 53**  
**TEXAS COMMISSION ON THE ARTS GRANT AWARD ALLOCATIONS, FISCAL YEAR 2022**



NOTE: Amounts for fiscal year 2022 are estimated.  
SOURCE: Legislative Budget Board.

budgets of at least \$50,000; and local arts organizations. Arts Create grant awards range from approximately \$3,000 to \$22,000. All Arts Create grant awards require an equal match from recipients. Appropriations for the 2022–23 biennium for the Arts Create program are approximately \$10.5 million.

The Arts Respond program includes grants for cultural district projects and other projects that are not affiliated with a cultural district. For the 2022–23 biennium, the agency is appropriated new funding of \$10.0 million in General Revenue Funds for cultural district programs. TCA has designated 40 cultural districts, which may apply for grants for cultural tourism projects that will attract visitors, enhance a cultural district, diversify local economies, or serve other purposes. These grants range from \$2,100 to \$250,000 for fiscal year 2021. Other Arts Respond grants are awarded in five categories, based on the state’s priorities established by the Governor. These categories include economic development, education, health and human services, natural resources and agriculture, and public safety and criminal justice. Funds for the new Military Arts Healing program are considered Other Arts Respond grants and provide arts-based therapeutic programming for military patients and veterans. Typically, Arts Respond grant awards that are not for cultural districts range from \$1,000 to \$8,500; military and veteran organizations receive grants ranging from \$2,000 to \$7,000. All Arts Respond grants require a one-to-one match. Appropriations for the 2022–23 biennium for these Arts Respond programs total approximately \$8.8 million.

Performance Support grants provide professional artist fees to schools, libraries, and other organizations to hire artists from the agency's touring roster. The TCA Touring Artists and Companies Roster includes Texas-based artists and companies that perform regularly outside their communities and that maintain reasonable artistic fees for performances. The Young Masters program awards grants to students in grades eight to 11 to develop skills in arts disciplines. Quarterly Arts Respond Performance Support grants range from approximately \$75 to \$8,000.

The agency's final grant program is referred to as Agency Initiatives, which is for specifically designated projects that typically are covered by external funds such as conferences or Texas Folklife. The agency also awards grants from other funding sources—including those from the National Endowment for the Arts and private donors—for various purposes or initiatives, including Poetry Out Loud, a poetry recitation competition for high school students. Grants for Performance Support range from approximately \$75 to \$8,000 and grants for Special Initiatives range from \$2,000 to \$32,000.

## OFFICE OF THE ATTORNEY GENERAL

**PURPOSE:** To defend the constitution and laws of the state of Texas and serve as the legal counsel to the Governor, the Legislature, and the state’s more than 250 agencies, commissions, and institutions of higher education. The Attorney General represents the state in civil and criminal cases, assists and coordinates with local jurisdictions for the prosecution of certain criminal cases, enforces the state’s consumer protection laws, investigates and prosecutes Medicaid fraud and Internet crimes, and administers the state’s child support program and victims’ compensation program.

**ESTABLISHED:** 1876

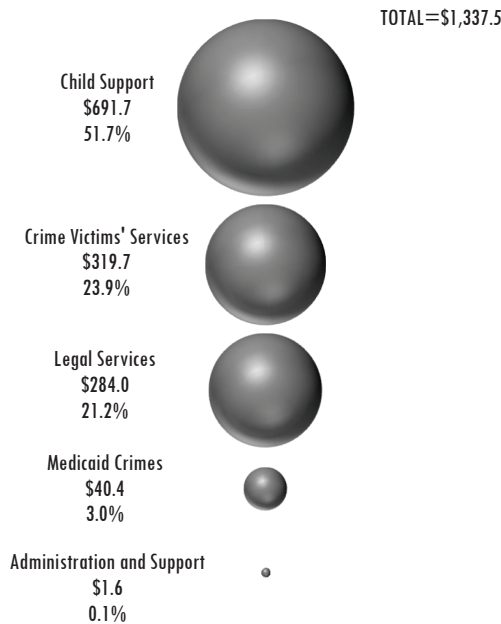
**AUTHORIZING STATUTE:** The Texas Constitution, Article IV, §22

**GOVERNANCE:** Statewide elected official

**FIGURE 54**  
**OFFICE OF THE ATTORNEY GENERAL BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$528.9	\$603.1	\$74.2	14.0%	<b>2022</b> 4,217.5  <b>2023</b> 4,217.5
General Revenue–Dedicated Funds	\$163.0	\$192.0	\$29.0	17.8%	
Federal Funds	\$475.8	\$386.1	(\$89.7)	(18.9%)	
Other Funds	\$156.3	\$156.3	\$0.0	0.0%	
<b>Total, All Methods of Finance</b>	<b>\$1,324.0</b>	<b>\$1,337.5</b>	<b>\$13.5</b>	<b>1.0%</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The agency collected **\$9.6 billion** in child support payments during the 2020–21 biennium and expects to collect approximately **\$8.9 billion** during the 2022–23 biennium.

Supplemental appropriations for fiscal year 2021 include **\$44.3 million** in General Revenue Funds to start development of **Phase II** of the **Child Support Information Technology Modernization Project**.

Appropriations include **\$69.2 million** in General Revenue Funds for deposit into **General Revenue–Dedicated Account No. 0469, Compensation to Victims of Crime (CVC), and General Revenue–Dedicated Account No. 5010, Sexual Assault Program**, to mitigate shortfalls in revenue to both accounts and maintain current funding levels for **CVC and victim assistance programs**.

Funding includes **\$43.3 million** in General Revenue Funds for outside legal counsel and litigation services in **State of Texas vs. Google, LLC**, for prosecution related to deceptive trade practices, violation of antitrust laws, and other related claims.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Appropriations for the Office of the Attorney General (OAG) increased by a net \$13.5 million in All Funds due, in part, to the following increases: \$69.2 million in General Revenue Funds to be transferred into General Revenue–Dedicated Account No. 469, Compensation to Victims of Crime (CVC), and General Revenue–Dedicated Account No. 5010, Sexual Assault Program (Account No. 5010), for victims assistance grants; \$43.3 million in General Revenue Funds for pending litigation in *State of Texas vs. Google, LLC*; and \$4.7 million in General Revenue Funds for rape crisis centers. These amounts are offset partially by funding made in fiscal year 2021 in supplemental funding through House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, which provides \$4.8 million in General Revenue Funds for the Legal Case Legacy Modernization Project, and \$68.4 million in General Revenue Funds for the Child Support Information Technology (IT) Modernization Project. In addition, and not included in amounts shown in **Figure 54**, Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, appropriated \$107.0 million in federal stimulus funds related to the COVID-19 pandemic to be deposited into the General Revenue–Dedicated CVC account and Account No. 5010 to address shortfalls.

## PROGRAMS

The agency carries out its mission through five main program areas: (1) child support; (2) crime victims' services; (3) legal services; (4) Medicaid crimes; and (5) State Office of Risk Management administrative support.

### CHILD SUPPORT

The Child Support Division is OAG's largest program area, representing 51.5 percent of total agency funding and 65.4 percent of the agency's full-time-equivalent (FTE) positions. OAG is responsible for the Child Support Enforcement Program, as provided in the federal Social Security Act, Title IV, Part D. The OAG Child Support Division provides services that locate delinquent parents, establishes paternity and court-ordered support obligations, and enforces the collection of established support obligations. These activities are supported by state funds, which are matched with Federal Funds. The Legislature appropriated \$688.5 million and 5,514.6 FTE positions for the 2022–23 biennium for activities related to child support enforcement. To cover costs associated with managing the retention and distribution of child support payments, OAG is required to include annual service fees for certain Title IV, Part D, child support cases.

The federal government retains 66.0 percent of these annual service fees, which are classified as child support program income; the remainder is deposited to General Revenue.

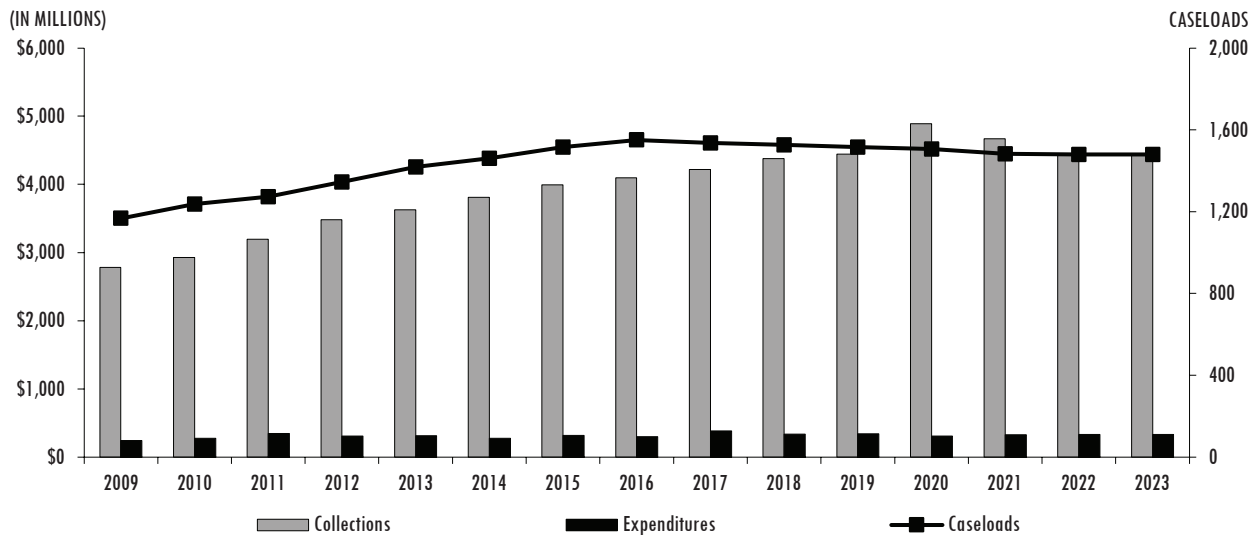
More than 82.0 percent of child support cases filed with the agency obtain child support orders, and the agency is focusing greater resources on enforcement of child support orders, as opposed to establishing paternity and court-ordered support obligations. During fiscal year 2021, the agency collected approximately \$4.7 billion in child support payments and projects a decrease to \$4.5 billion by fiscal year 2023. **Figure 55** shows the child support enforcement expenditures, collections, and caseloads for fiscal years 2009 to 2023. Child support operations are conducted in 64 field offices organized into nine regional offices across the state. These regions are: Austin, Dallas, El Paso, Fort Worth, Houston, Lubbock, McAllen, San Antonio, and Tyler. San Antonio is also the location of the State Disbursement Unit (SDU). The SDU, which is required by federal welfare reform legislation passed in calendar year 1996, provides a central location for employers to send child support payments that are withheld from employees' paychecks. Since fiscal year 2001, the SDU has operated in San Antonio through a contract with a private vendor. The SDU is projected to process 22.7 million child support payments for fiscal year 2023.

### CRIME VICTIMS' SERVICES

OAG's second-largest program area is related to the Crime Victims' Services Division. OAG administers several programs intended to assist victims of crime, which include crime victims' compensation, grants for state and local programs that assist victims, and programs that address confidentiality for victims of family violence, stalking, and sexual assault. Much of the funding for these programs comes from the General Revenue–Dedicated CVC account. **Figure 56** shows victims' assistance programs that receive funding from the CVC and identifies allocation of appropriations to the programs for the 2022–23 biennium by All Funds and CVC funds. The account is dedicated constitutionally to provide payments and services to crime victims. Revenues, which come from court costs assessed against individuals convicted of certain felonies and misdemeanors, are collected in municipal and county treasuries and deposited in the state Treasury.

The largest of the OAG victims' assistance programs is the Crime Victims' Compensation Program. The program pays for expenses ranging from medical expenses to loss of wages

**FIGURE 55**  
**OFFICE OF THE ATTORNEY GENERAL CHILD SUPPORT ENFORCEMENT, FISCAL YEARS 2009 TO 2023**



NOTE: Collection and expenditure amounts for fiscal years 2022 and 2023 are estimated.  
 SOURCE: Office of the Attorney General.

**FIGURE 56**  
**VICTIMS' ASSISTANCE PROGRAMS AT THE OFFICE OF THE ATTORNEY GENERAL PARTIALLY FUNDED WITH GENERAL REVENUE—DEDICATED FUNDS ACCOUNT NO. 469, COMPENSATION TO VICTIMS OF CRIME (CVC), 2022–23 BIENNIUM**

PROGRAM	(IN MILLIONS)	
	ALL FUNDS	CVC
<b>Victim Assistance Organizations and Programs</b> Funding for grants to support programs that serve victims of crime, such as Mothers Against Drunk Driving, SAFE – Stop Abuse for Everyone, People Against Violent Crime, Domestic Violence High Risk Teams, and others.	\$21.6	\$11.6
<b>Sexual Assault Prevention and Crisis Services Program</b> Provides funding and technical assistance to sexual assault programs. Distributes training materials for law enforcement, medical personnel, and sexual assault staff and volunteers. Provides evidence collection protocol for sexual assault forensic evidence collection. Certifies sexual assault training programs and sexual assault nurse examiners.	\$39.1	\$0.0
<b>Victim Notification System</b> Funding for the implementation of a statewide automated system at the county level to provide victims with information about a change in offender status or change in court date.	\$6.0	\$6.0
<b>Victim-related Civil Legal Services</b> Funding for the Supreme Court of Texas to provide grants to local programs that offer civil legal services for victims of violent crime.	\$5.0	\$5.0
<b>Victims' Assistance Coordinators and Victims Liaisons</b> Provides grants to local law enforcement agencies and prosecutor's offices to fund statutorily required coordinator and liaison positions.	\$4.9	\$4.9
<b>Sexual Assault Services Program Grants</b> Provides a grant to the Texas Association Against Sexual Assault for program development, technical assistance, and training to support local sexual assault programs. The grant also is used for statewide training for local programs, law enforcement agencies, and other victim services groups.	\$3.0	\$0.8
<b>Address Confidentiality</b> Provides address confidentiality for victims of family violence, stalking, and sexual assault.	\$0.3	\$0.3
<b>Total, Programs at the Office of the Attorney General</b>	<b>\$80.0</b>	<b>\$28.3</b>

NOTE: Totals may not sum due to rounding.  
 SOURCES: Legislative Budget Board; Office of the Attorney General.

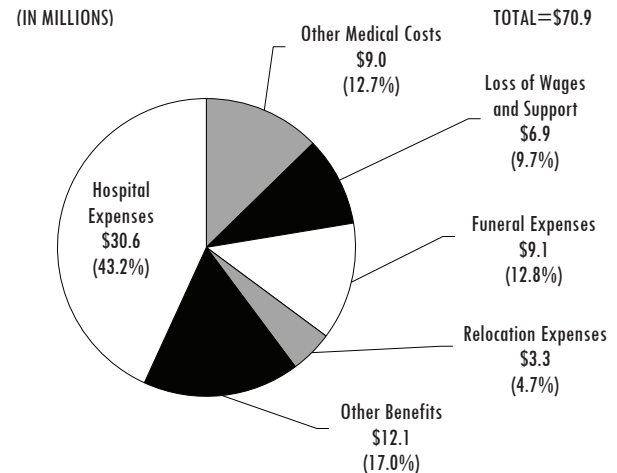


incurred by victims of violent crimes. Appropriations for the 2022–23 biennium for the Crime Victims’ Compensation Program total \$170.6 million in All Funds and provide 117.7 FTE positions. These appropriations include approximately \$123.4 million in General Revenue–Dedicated Funds from the CVC. A method-of-finance adjustment increasing Federal Funds by \$5.4 million and decreasing the same amount in General Revenue–Dedicated Funds from the CVC is included in funding to mitigate revenue decreases to the account. The adjustment involves an accelerated use of federal Victims of Crime Act grants. The program is expected to pay out more than \$148.2 million in compensation during the 2022–23 biennium. **Figure 57** shows the distribution of fiscal year 2021 awards among various categories. **Figure 58** shows the trends in compensation awarded and in the number of awards from fiscal years 2013 to 2023.

OAG is appropriated funds to make grants to local programs that assist crime victims by providing counseling, crisis intervention, assistance with the Crime Victims’ Compensation Program, legal assistance, victim advocacy, referrals, and other related information. The agency also administers an address confidentiality program for victims of family violence, stalking, and sexual assault. This program, started during fiscal year 2008, assists victims by keeping their actual addresses confidential. The Texas Address Confidentiality Program (ACP) provides a substitute address and mail-forwarding service for these victims and members of their households. Applicants for the ACP must meet with a local domestic violence shelter, sexual assault center, or law enforcement staff to discuss a safety plan and enroll in the program. OAG grants also provide for sexual assault nurse examiner training and help local governments cover the costs of victims’ assistance coordinators.

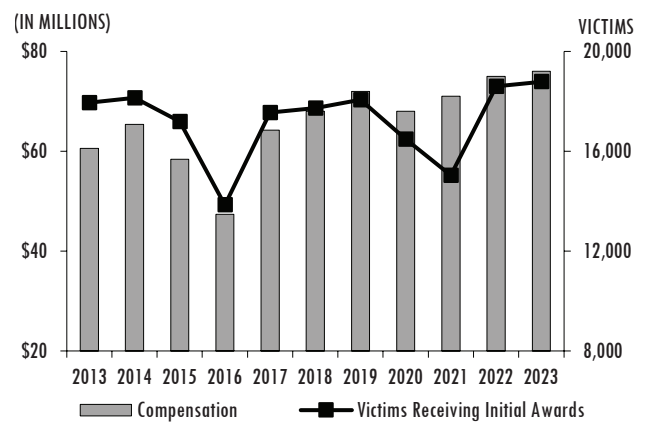
The Court-appointed Special Advocate program, which provides volunteer guardian assistance to abused and neglected children, and the Children’s Advocacy Centers, which provide services to victims of child abuse, were transferred by the Eighty-fourth Legislature, 2015, to the Health and Human Services Commission beginning in fiscal year 2016. Appropriations for the Crime Victims’ Services and Crime Victims Compensation programs total approximately \$247.0 million and include 145.8 FTE positions each fiscal year.

**FIGURE 57**  
**AWARDS FROM THE GENERAL REVENUE–DEDICATED FUNDS ACCOUNT NO. 469, COMPENSATION TO VICTIMS OF CRIME, FISCAL YEAR 2021**



SOURCE: Office of the Attorney General.

**FIGURE 58**  
**TEXAS CRIME VICTIMS’ COMPENSATION PROGRAM FISCAL YEARS 2013 TO 2023**



NOTE: Compensation amounts for fiscal years 2022 and 2023 are estimated.

SOURCE: Office of the Attorney General.

**LEGAL SERVICES**

As the state’s legal counsel, OAG provides various legal and investigatory services. The agency defends state officials and agencies in lawsuits, provides general counsel upon request, issues opinions interpreting state law, rules on public information requests made to and disputed by governmental bodies, and approves bond issuances for state agencies and other political subdivisions of the state. OAG also investigates and prosecutes violations of antitrust activities, election law,

human trafficking statutes, banking and securities activities, and environmental protection offenses.

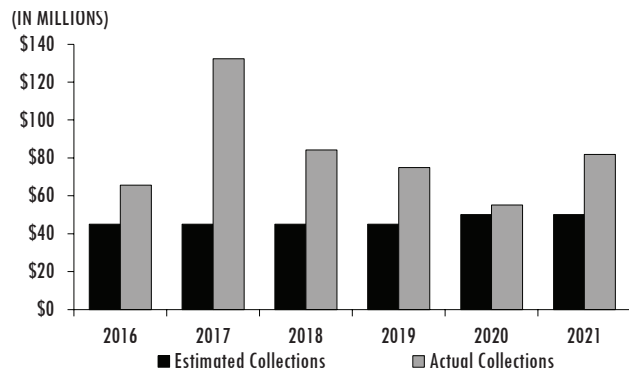
OAG is responsible for collecting certain delinquent judgments and debts owed to the state. For fiscal years 2016 to 2021, the agency estimated collections of \$280.0 million and collected \$493.9 million. **Figure 59** shows the estimated and actual collections for fiscal years 2016 to 2021.

A growing priority for the legal services division is investigating and prosecuting crimes involving human trafficking. To address this priority, the Human Trafficking and Transnational Organized Crime (HTTOC) section was established in January 2016 to coordinate state and local responses and provide investigative and prosecutorial assistance to district attorneys. HTTOC initiated an awareness campaign during fiscal year 2018 to educate state employees and the public on human trafficking prevention, including releasing an online video and providing in-person training to approximately 25,000 Texans. The Attorney General or a designee is the presiding officer of the Human Trafficking Prevention Taskforce and the HTTOC. Funding of \$6.2 million and 33.0 FTE positions for the 2022–23 biennium is included for operations of the Human Trafficking Section.

The Texas Election Code, Chapter 273, authorizes OAG to investigate and prosecute allegations of election fraud anywhere in the state. OAG has investigated and prosecuted 534 violations of the Texas Election Code since fiscal year 2004. Allegations of election fraud are reported by the public and local officials and by the Texas Secretary of State. To provide additional specialization regarding election matters within the legal services division, the Election Fraud Unit (EFU) was established during calendar year 2017 with partial grant funding from the Office of the Governor, Criminal Justice Division. EFU prosecuted 508 counts of election fraud during the 2020–21 biennium. Funding of \$4.0 million in General Revenue Funds and 24.0 FTE positions have been appropriated for EFU for the 2022–23 biennium.

The agency’s Cyber Crimes Unit is responsible for the investigation of Internet crimes against children. Law enforcement officers, posing as children in Internet chat rooms and social networking sites, seek out child predators that victimize children by soliciting sex online. In addition, the agency investigates individuals that produce, share, and distribute images of child sexual violence and exploitation. The unit also provides information and training regarding child exploitation crimes and cybersafety to law enforcement

**FIGURE 59**  
**OFFICE OF THE ATTORNEY GENERAL DEBT COLLECTIONS,**  
**FISCAL YEARS 2016 TO 2021**



SOURCE: Office of the Attorney General.

agencies across the state, various interest groups, school administrators, students, and the public.

Consumer protection and education also is an important role for the agency. OAG files civil lawsuits against companies in violation of the state Deceptive Trade Practices–Consumer Protection Act (the Texas Business and Commerce Code, Chapter 17, Subchapter E) and other state consumer protection laws. Agency staff also receive and process consumer complaints against a company’s business practices, which may result in lawsuits filed on behalf of the state. These lawsuits are not filed on behalf of individual complainants, but are filed to enforce state law for the public good. However, some legal actions produce restitution for individual consumers. The agency also helps to ensure public awareness by posting consumer rights and information regarding common scams on its website and offers information regarding a range of consumer issues.

OAG also issues rulings and decisions that determine whether requested information is open to the public in accordance with the Texas Public Information Act (the Texas Government Code, Chapter 552). When a governmental entity receives a written request for documents or other recorded information, Texas law requires that entity to release the information to the requestor. If the governmental entity believes an exception to disclosure may apply to the requested information, the entity must request a decision from OAG regarding whether the claimed exception applies to the requested information. The entity must submit its request for an OAG open records decision, along with the requested information and any legal arguments to support withholding the requested information, within deadlines established

pursuant to the Texas Public Information Act. OAG reviews the submitted information, the legal arguments, and applicable laws, and issues a decision within 45 business days of receiving the entity's request for the decision. During the 2020–21 biennium, OAG issued approximately 68,405 open records rulings.

Appropriations for the legal services function total \$284.0 million and provide for 1,103.6 FTE positions.

### **MEDICAID CRIMES**

OAG is responsible for administering a statewide Criminal Medicaid Fraud Investigation Program. This responsibility includes referring for prosecution all violations of laws pertaining to fraud or misconduct in the administration of the Texas Medicaid program and identifying overpayments obtained through fraudulent provider activity. During the 2020–21 biennium, the agency identified more than \$90.7 million in Medicaid overpayments. Appropriations for Medicaid crimes total approximately \$40.4 million and include 202.8 FTE positions each fiscal year.

### **OTHER PROGRAM AREAS**

OAG executes major information technology projects to support the agency's mission. A strategy line-item provides funding for this purpose in the General Appropriations Act. Continued oversight of OAG's major information technology projects has been provided through an Executive Steering Committee for the 2022–23 biennium. In the 2020–21 biennium, the OAG started work on the Child Support IT Modernization Project, which aims to transform and streamline the Child Support system. The OAG completed Phase I of the Child Support IT Modernization Project during the 2020–21 biennium at a capital project cost of \$46.0 million. Appropriations for Phase II of the project total approximately \$44.3 million in All Funds, which are provided through supplemental funding for fiscal year 2021 through House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.

OAG's fifth program area is related to the administrative support provided to the State Office of Risk Management (SORM). SORM is attached administratively to OAG and is required to provide administrative support for items such as payroll, human resources, accounting, procurement, and other administrative support. During the 2020–21 biennium, OAG's administrative costs for SORM totaled approximately \$1.4 million. For the 2022–23 biennium, the agency is appropriated approximately \$1.6 million and 8.0 FTE positions each fiscal year.

## **SIGNIFICANT LEGISLATION**

**House Bill 2462 – Reporting of sexual assault.** The legislation removes certain exceptions for law enforcement to decline forensic medical examinations and requires a law enforcement agency to request, with consent, a forensic medical examination of a victim of a reported sexual assault for use in the investigation or prosecution of the offense if the sexual assault is reported to the law enforcement agency within 120 hours after the assault. The legislature appropriated \$3.6 million in General Revenue-Dedicated Compensation to Victims of Crime Account No. 0469 to fulfill the provisions of this legislation.

**House Bill 2706 – Emergency services and care provided to victims of sexual assault.** The legislation amends the Code of Criminal Procedure to include a health provider that operates a sexual assault forensic examination program pursuant to the Texas Health and Safety Code, Chapter 323, as an entity eligible to receive reimbursements for emergency medical care expenses for examination for reported and nonreported sexual assaults.

## BOND REVIEW BOARD

**PURPOSE:** To ensure that debt financing is used prudently to meet Texas’ infrastructure needs and other public purposes, to support and enhance the debt issuance and debt management functions of state and local entities, and to administer the state’s private activity bond allocation.

**ESTABLISHED:** 1987

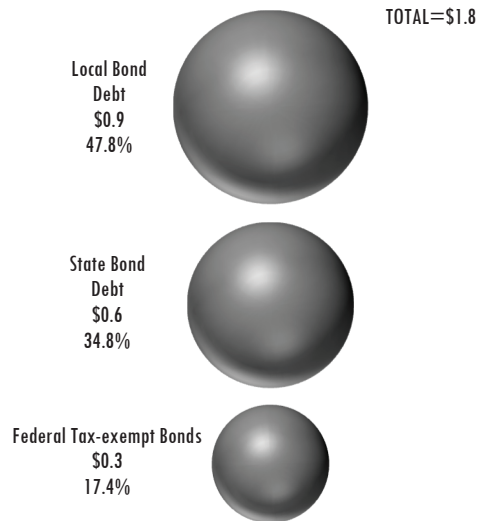
**AUTHORIZING STATUTE:** The Texas Government Code, Chapters 1231 and 1372

**GOVERNANCE:** Board—Governor, Lieutenant Governor, Speaker of the House of Representatives, who serves as a nonvoting member, and Comptroller of Public Accounts, or their respective designees

**FIGURE 60**  
**BOND REVIEW BOARD BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$1.7	\$1.8	\$0.1	4.7%	
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	2022 11.0
Other Funds	\$0.0	\$0.0	\$0.0	N/A	
<b>Total, All Methods of Finance</b>	<b>\$1.7</b>	<b>\$1.8</b>	<b>\$0.1</b>	<b>4.7%</b>	<b>2023 11.0</b>

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

- Outstanding debt totaled \$63.2 billion** for fiscal year 2021 for all state agencies and universities, including conduit debt.
- The agency **reviewed 42 bond documents**, including proposed bond applications and lease-purchase agreements for state issuers, during fiscal year 2021.
- The agency analyzed **1,730 local government financings** during fiscal year 2021.
- The Bond Review Board reported that the **constitutional debt limit is at 2.58 percent of unrestricted General Revenue Funds** as of the end of fiscal year 2021.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Appropriations to fund the Bond Review Board (BRB) for the 2022–23 biennium increased by \$81,343, or 4.7 percent, from the 2020–21 biennium. The increase pertains to funding for updates to and maintenance for the agency’s statewide debt database and website and administrative expenses.

## PROGRAMS

The agency carries out its responsibilities through three major program areas: (1) oversight of state debt issuance; (2) local government bond debt support; and (3) administration of private activity bonds and other federal tax-exempt bonds programs.

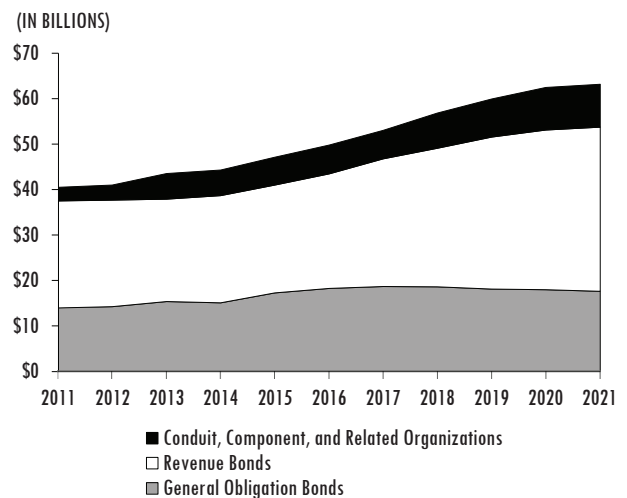
### STATE BOND DEBT OVERSIGHT

BRB ensures that state bonds attain the highest possible rating and are issued in the most cost-effective manner. The agency accomplishes this goal by establishing guidelines for issuing debt, reviewing state debt issuance, and assisting in statewide capital project planning. The agency verifies the legal authorization for all bond issues proposed by state agencies and certain educational institutions and also evaluates the proposed use of the proceeds, investment provisions, debt-administration provisions, market conditions for timing the sale of the bonds, and issuance costs.

BRB staff produce reports for the Legislature, local public officials, investors, rating agencies, and other stakeholders to provide information regarding the state’s debt burden and credit-worthiness. Included in the reports are recommendations for cost-effective capital financing practices to raise the state’s bond rating and lower its borrowing costs. The agency reviews proposed bond applications and lease-purchase agreements to ensure proper legal authorization, accurate and adequate disclosure, appropriate use of call provisions, bond insurance, and other provisions of the projects.

BRB is required to submit an annual report to the Legislature regarding state and local debt burdens and the aggregate impact of all recommended state debt issuance on the state’s debt burden. **Figure 61** shows the state’s total outstanding debt in bonds for fiscal years 2011 to 2021, including \$17.6 billion in General Obligation (GO) bonds, which are backed legally by the full faith and credit of the state, and \$45.6 billion in revenue bonds. **Figure 61** also shows the revenue bond conduit debt—which is not a legal liability of the state

**FIGURE 61**  
**OUTSTANDING STATE DEBT BY TYPE**  
**FISCAL YEARS 2011 TO 2021**



SOURCE: Bond Review Board.

and which the state is not obligated to pay—at approximately \$9.5 billion as of August 31, 2021. Appropriations include \$4.3 billion for debt service payments for the 2022–23 biennium. As of August 2021, Texas’ General Obligation debt was rated at Aaa/AAA/AAA by the three major credit rating agencies.

### LOCAL BOND DEBT

BRB collects, maintains, analyzes, and reports on the status of local debt and works to ensure that local public officials have access to updated information regarding debt issuance, finance, and debt management. BRB does not have direct oversight of local government debt issuance. As of August 31, 2021, the state had a total of \$266.4 billion in local government debt outstanding, an increase of 21.6 percent compared to \$219.0 billion at the end of fiscal year 2017. These issuing entities include school districts, counties, community and junior colleges, cities, health and hospital districts, water districts, and other special districts. Local governments issue debt to finance construction and renovation of government facilities (school instructional facilities, public safety buildings, city halls, and county courthouses), public infrastructure (roads, and water and sewer systems), and other projects authorized by law. School districts and cities are the largest issuers of debt.

The Office of the Attorney General collects information regarding bond-issuing entities in the state and forwards the information to BRB. The agency analyzes the

**FIGURE 62**  
**TEXAS PRIVATE ACTIVITY BOND ALLOCATION PROGRAM SET-ASIDE COMPARED TO ISSUED ALLOCATION AMOUNTS**  
**PROGRAM YEAR 2021**

(IN MILLIONS) SUBCEILING	AVAILABLE ALLOCATION	PERCENTAGE OF TOTAL	ISSUED ALLOCATION	PERCENTAGE OF TOTAL
Single-family Housing	\$2,765.0	44.5%	\$20.6	15.8%
State-voted Issues	\$323.0	5.2%	\$177.5	2.9%
Small-issue Industrial Development Bonds	\$64.6	1.0%	\$0.0	0.0%
Multifamily Housing	\$2,059.3	33.2%	\$840.9	27.3%
All Other Issues	\$996.1	16.0%	\$168.4	2.7%
<b>Total</b>	<b>\$6,207.7</b>	<b>100.0%</b>	<b>\$1,207.3</b>	<b>48.6%</b>

NOTE: Totals may not sum due to rounding. Includes carry-forward amounts.  
 SOURCE: Bond Review Board.

information to ensure reporting accuracy, prepares detailed fiscal year-end reports regarding tax-supported and revenue debt outstanding that include debt trends and debt ratios (debt to assessed value, debt per capita, debt per student), and provides its findings to bond-issuing entities and state officials.

The agency also compiles data regarding local government debt on its website for policy makers and other stakeholders and assists these local entities. Visitors to the BRB website can access and download spreadsheets that contain debt outstanding, debt ratio, and population data by government type at fiscal year-end. During fiscal year 2021, the agency analyzed more than 1,500 local government financings.

#### **FEDERAL TAX-EXEMPT BONDS**

The third program area involves the administration of federal tax-exempt bonds, primarily private activity bonds and Qualified Energy Conservation Bonds. The Private Activity Bond Allocation Program (PAB) is a federal program authorized by the federal Tax Reform Act of 1986. The PAB statutes and rules regulate the amount of tax-exempt bonds that may be issued in the state and restrict the type of privately owned, public-use projects that may take advantage of this tax-exempt financing authority. The agency must ensure that issuance of tax-exempt bonds by public and private entities are consistent with federal law.

BRB administers the PAB by regulating the state's total allocation of PAB authority (state ceiling or volume cap) for issuances of tax-exempt bonds and by monitoring the demand for and use of private activity bonds each calendar year. The state's volume cap is based on a per capita amount multiplied by the state's most recent population

estimate as published by the U.S. Census Bureau. Total issuance authority for calendar year 2021 was set at a ceiling of \$110 per capita and indexed for inflation. For calendar year 2021, Texas' state ceiling was \$3.2 billion with an additional \$3.0 billion in carry-forward ceiling. **Figure 62** shows the subceiling authorizations for the PAB and the actual amount of the state ceiling that was issued for program year 2021, showing that approximately 48.6 percent of the total state allocation has been issued. Issuers have three years to issue authority that has been carried forward from previous years. The majority of the PABs issued are from previous years' authority and do not affect the state ceiling.

#### **SIGNIFICANT LEGISLATION**

**New Debt Legislation: House Bill 4492 – Financing certain costs associated with electric markets.** The legislation requires the Comptroller of Public Accounts to invest up to \$800.0 million of the Economic Stabilization Fund balance in debt obligations issued by independent organizations pursuant to the Texas Utilities Code, Chapter 39, Subchapter M.

The constitutional debt limit, governed by the Texas Constitution, Article III, Section 49-j, is 2.58 percent as of the end of fiscal year 2021. Additional debt authorized by the Eighty-seventh Legislature, 2021, could have up to a 0.01 percent impact on the constitutional debt limit.

**Senate Bill 1984 – Reassignment of the carry-forward designation of certain private activity bonds.** The legislation expands the carry-forward criteria for issuers of private activity bonds. The legislation authorizes issuers to carry forward reserved bonds that are set to close after December 31 of the reservation grant year.

## CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS

**PURPOSE:** Through awarding of grants for cancer research and prevention: (1) to initiate and expedite innovation in the area of cancer research and enhance the potential for a medical or scientific breakthrough in the prevention of cancer and cures for cancer; and (2) to attract, establish, or expand research capabilities of public or private institutions of higher education and other public or private entities that will promote a substantial increase in cancer research and in the establishment of high-quality jobs in the state.

**ESTABLISHED:** 2007

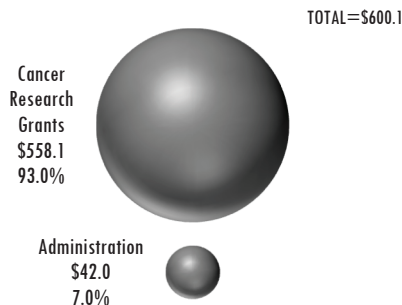
**AUTHORIZING STATUTE:** The Texas Health and Safety Code, §102.002

**GOVERNANCE:** Cancer Prevention and Research Institute of Texas Oversight Committee—nine members with three members each appointed by the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives

**FIGURE 63  
CANCER PREVENTION AND RESEARCH INSTITUTE BY METHOD OF FINANCE**

(IN MILLIONS)									
METHOD OF FINANCE	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	APPROPRIATED FULL-TIME- EQUIVALENT POSITIONS				
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A	<table border="1"> <tr> <td>2022</td> <td>44.0</td> </tr> <tr> <td>2023</td> <td>44.0</td> </tr> </table>	2022	44.0	2023	44.0
2022	44.0								
2023	44.0								
General Revenue—Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$594.6	\$600.1	\$5.5	0.9%					
<b>Total, All Methods of Finance</b>	<b>\$594.6</b>	<b>\$600.1</b>	<b>\$5.5</b>	<b>0.9%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The Cancer Prevention and Research Institute of Texas (CPRIT) has awarded **1,679 grants** totaling **\$2.8 billion** through the end of fiscal year 2021.

CPRIT provided **7.6 million cancer prevention services** to people in all 254 Texas counties through the end of fiscal year 2021.

During the 2022–23 biennium, CPRIT will offer **12 types of grant awards** for Academic Research Grants, three **types of awards** for Product Development Research Grants, and **five types of awards** for Prevention Grants.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Funding for the Cancer Prevention and Research Institute of Texas (CPRIT) increased by \$5.5 million, or 0.9 percent from the 2020–21 biennium. The increase is related primarily to approximately \$6.2 million in General Obligation (GO) Bond Proceeds to be transferred to the Department of State Health Services to administer the Cancer Registry for the 2022–23 biennium.

CPRIT is funded almost entirely with GO Bond Proceeds, but approximately \$11,000 per fiscal year in revenue is appropriated from the sale of certain license plates. CPRIT also receives approximately \$40,000 per fiscal year in Appropriated Receipts composed of reimbursements from product development grant applicants.

## PROGRAMS

The agency carries out responsibilities through two major program areas: (1) cancer research grants; and (2) administration.

### CANCER RESEARCH AND PREVENTION GRANTS

CPRIT's first major program area is cancer research grants, which fund projects to directly or indirectly benefit subsequent cancer research efforts, cancer public health policy, or the continuum of cancer care from prevention to treatment and cure. Eligible grant recipients must be Texas-based, including the following entities: a public or private institution of higher education; academic health institution; government organization; nongovernmental entity; or a company established in or relocating to Texas upon receipt of a grant award. Grants are made in various amounts across multiyear periods, and GO Bond Proceeds are issued to pay grant recipients on a reimbursement basis.

Within the scope of cancer research grants are academic research grants and product development research grants. Academic research grants provide financial support to entities for research topics or issues related to cancer biology, causation, prevention, detection or screening, treatment, or cure. Product development research grants are related to cancer diagnosis, treatment, or prevention that develop new products with the ability to commercialize and produce returns on investment for the state. CPRIT may take equity ownership in companies that receive CPRIT awards or receive royalty payments, whichever provides the best return to the state, from investments in companies with successfully commercialized discoveries. Appropriations for the 2022–23 biennium for academic research grants and product

development research grants total \$502.7 million in Other Funds from GO Bond Proceeds.

CPRIT also has a cancer prevention grant program, which awards grants that: affect the incidence, mortality, or morbidity of cancer; affect personal behaviors leading to prevention, risk reduction, and early detection of cancer; and improve the quality of life for survivors. Appropriations for cancer prevention grants total \$55.3 million for the 2022–23 biennium primarily from GO Bond Proceeds, including \$22,000 in Other Funds generated from sales of the Texas Conquer Cancer license plate and the Cancer of Unknown Primary Origin Awareness license plate.

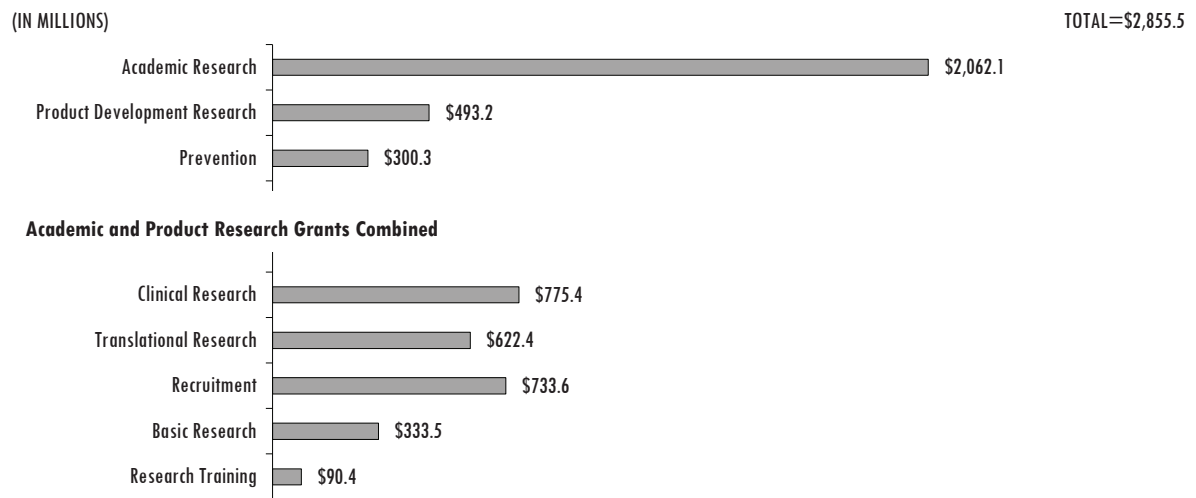
Since its inception, CPRIT has awarded a total of \$2.9 billion in grant awards. Of this amount, \$2.1 billion was awarded for academic research grants, \$493.2 million was awarded for product development research grants, and \$300.3 million was awarded for cancer prevention grants. **Figure 64** shows the awards by grant type from fiscal years 2010 to 2021.

### ADMINISTRATION

CPRIT's other major program area is administration, which includes indirect administration to support the agency and direct administration for awarding grants and oversight. Grant applications for cancer research and prevention projects are reviewed and scored by the Scientific Research and Prevention Program committees, which subsequently recommend eligible grant awards to the program integration committee in a prioritized list. The program integration committee then recommends grant funding to the CPRIT Oversight Committee, which must approve grants by a two-thirds vote. Appropriations for administration total \$42.0 million for the 2022–23 biennium, including \$80,000 from Appropriated Receipts composed of application fees from product development grant applicants, which support 44.0 full-time-equivalent positions.



**FIGURE 64**  
**CANCER RESEARCH GRANTS AWARDS BY PROGRAM TYPE**  
**FISCAL YEARS 2010 TO 2021**



SOURCE: Cancer Prevention and Research Institute of Texas.

## COMPTROLLER OF PUBLIC ACCOUNTS

**PURPOSE:** To serve as the state’s chief tax collector, accountant, revenue estimator, treasurer, and purchasing manager. To interpret and apply tax laws and collect taxes and fees; monitor the financial status of state agencies; report on the state’s financial condition to the Legislature; oversee the cash management functions of the state; and manage statewide contracts.

**ESTABLISHED:** 1850

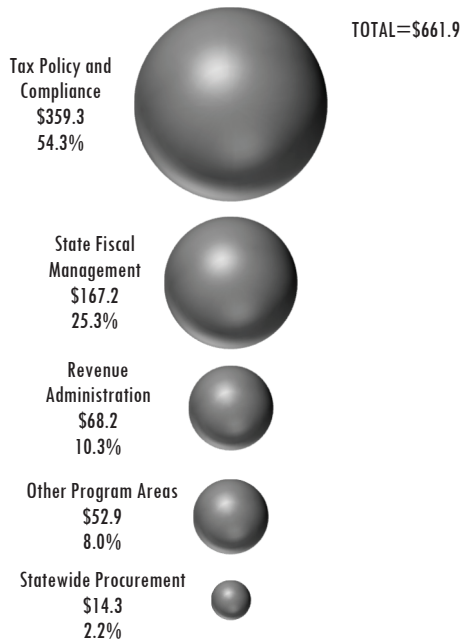
**AUTHORIZING STATUTE:** The Texas Constitution, Article IV, §23

**GOVERNANCE:** Statewide elected official

**FIGURE 65**  
**COMPTROLLER OF PUBLIC ACCOUNTS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$613.7	\$658.1	\$44.4	7.2%	<b>2022</b> 2,955.3  <b>2023</b> 2,955.3
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$14.6	\$3.8	(\$10.8)	(73.7%)	
<b>Total, All Methods of Finance</b>	<b>\$628.3</b>	<b>\$661.9</b>	<b>\$33.6</b>	<b>5.3%</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations include an increase of **\$32.3 million to reinstate General Revenue Funds** that were decreased during the 2020–21 biennium. Funding is allocated primarily for **salaries and information technology projects**.

Funding of **\$5.8 million** is provided to transition agency call centers to **full contact centers and to provide security information and event management software**.

Appropriations replace **\$4.7 million** in Interagency Contracts from certain agencies with General Revenue Funds to provide for **software license payments related to the Centralized Accounting and Payroll/Personal System**.

Funding of **\$1.3 million and 3.0 full-time-equivalent positions** is provided to implement Senate Bill 248, Eighty-seventh Legislature, Regular Session, 2021, related to the **regulation of and permits for the sale or delivery of cigarettes, tobacco products, and e-cigarettes**.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Total appropriations of \$661.9 million in All Funds for the Comptroller of Public Accounts (CPA) include an increase in General Revenue Funds of \$32.3 million for the restoration of 5.0 percent budget reduction directed by state leadership made during the 2020–21 biennium and \$5.8 million to transition agency call centers to full contact centers and to provide security information and event management software. Appropriations also include a method-of-finance swap increasing General Revenue Funds by \$4.7 million and decreasing Other Funds from interagency contract payments made by certain agencies for software license payments related to the Centralized Accounting and Payroll/Personnel System (CAPPS).

Funding to the CPA represents decreases of \$6.1 million in Other Funds from Appropriated Receipts and Interagency Contracts, primarily from unexpended balances carried forward for CAPPS from the 2018–19 biennium to the 2020–21 biennium, and from forfeiture and seizure receipts from criminal investigations.

Additionally, General Revenue Funds increases of \$1.6 million are provided to implement provisions of Senate Bill 248, Eighty-seventh Legislature, Regular Session, 2021, relating to the regulation of tobacco products, and House Bill 2404, Eighty-seventh Legislature, Regular Session, 2021, relating to a database of local economic development agreements.

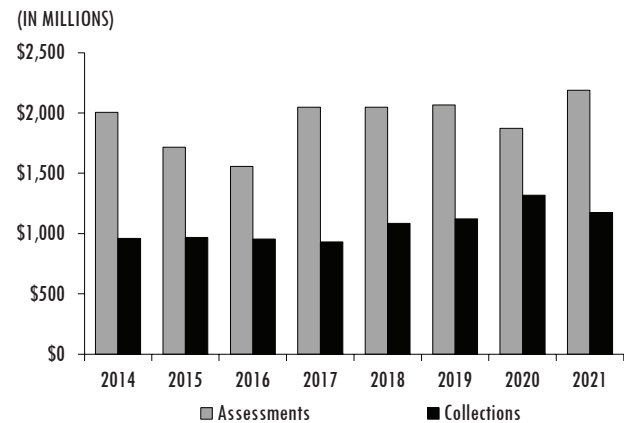
## PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) tax policy and compliance; (2) state fiscal management; (3) revenue administration; (4) statewide procurement; and (5) other program areas.

### TAX POLICY AND COMPLIANCE

The tax policy and compliance program area interprets and applies tax laws, provides outreach to taxpayers, collects delinquent tax payments, and audits tax collections. The audit program reviews taxpayer records to determine compliance with state tax laws and educates taxpayers about tax requirements. In conjunction with audit functions, the CPA's Criminal Investigation Division detects, investigates, and prosecutes tax-related fraud. The program for tax laws compliance manages and tracks delinquent taxpayer accounts for collections and contacts taxpayers for payment and services. **Figure 66** shows tax audit assessments, which are additional amounts owed by a taxpayer after an audit,

**FIGURE 66**  
**COMPTROLLER OF PUBLIC ACCOUNTS TAX AUDIT**  
**ASSESSMENTS COMPARED TO DELINQUENT COLLECTIONS**  
**FISCAL YEARS 2014 TO 2021**



SOURCE: Comptroller of Public Accounts.

compared to delinquent tax collections for fiscal years 2014 to 2021. During the 2022–23 biennium, the agency projects more than \$4.3 billion in tax audit assessments and estimates delinquent tax collections of approximately \$2.0 billion.

Additionally, within the tax information program, the agency interprets tax laws, develops rules and bulletins to help taxpayers understand and comply with laws, and responds to taxpayer questions. The agency offers seminars and webinars to taxpayers that provide overviews of the tax responsibilities of buyers, sellers, and service providers to ensure their understanding of and compliance with appropriate tax laws. Additionally, the CPA, through the tax hearings program, implements an Interagency Contract with the State Office of Administrative Hearings to hold redetermination and refund hearings requests. The Legal Counsel represents the agency during these hearings and provides agencywide legal research. Appropriations for programs within the tax policy and compliance area total \$359.3 million and provide 1,828.1 full-time-equivalent (FTE) positions.

### STATE FISCAL MANAGEMENT

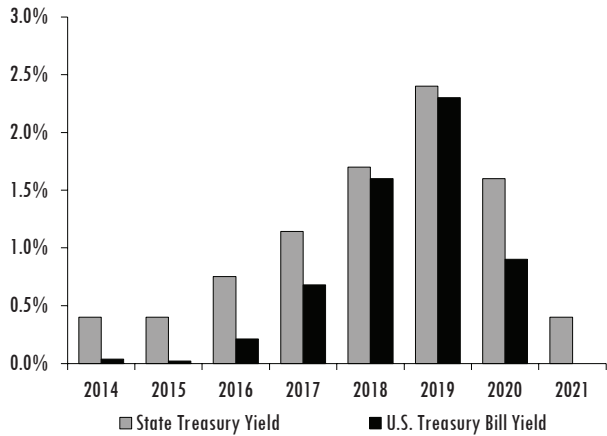
State fiscal management programs include statewide accounting, revenue forecasting, and cash management functions. The agency establishes and monitors appropriations to more than 170 state agencies and institutions of higher education for more than 660 funds and accounts each year; processes and issues payments for the state; and conducts post-payment audits of agencies' purchase, travel, and payroll expenditures to ensure compliance with state laws governing

expenditures. This area also monitors and projects state revenue and produces fiscal analyses of legislation affecting state revenue, including analyzing appropriations bills to determine whether the funds appropriated are within the amount of revenue certified to be available. Additionally, this area prepares the state’s Annual Cash Report and the Texas Comprehensive Annual Financial Report, which is a set of financial statements detailing the state’s financial condition.

Fiscal management utilizes various information technology tools to perform accounting functions, such as the Uniform Statewide Accounting System and the Uniform Statewide Payroll/Personnel System. These systems and others are becoming outdated and eventually will retire. To replace these systems and consolidate their functions, the agency implemented and is transitioning state agencies to CAPPs, an enterprise resource planning system. CAPPs uses a web-based system that includes modules for financials and human resources (HR) and payroll. These modules provide agencies with updated access to financial and HR and payroll information and include enhanced reporting capabilities. CAPPs also eliminates obsolete business processes, including manual processing and reconciliation and duplicate data entry. At the beginning of the 2022–23 biennium, 115 state agencies are using CAPPs Financials and CAPPs HR/Payroll. During the 2022–23 biennium, 22 additional state agencies will transition to using these CAPPs functions, eight of which received funding for this purpose.

CPA manages the state Treasury, invests state cash and securities, pays state warrants, and enforces the state’s cigarette and tobacco product laws. A primary function of the Treasury program is to manage and ensure the safety of the state’s cash and securities while maximizing the return on investments. During fiscal year 2021, the average balance of the state Treasury portfolio was \$45.7 billion. This amount includes an average of \$515.0 million in state funds deposited at financial institutions throughout the state and more than \$191.9 million in interest earned from the portfolio balance. **Figure 67** shows the yields on annual state Treasury investments compared to the three-month U.S. Treasury Bill interest rate yield for fiscal years 2014 to 2021. In addition, the banking and electronic processing function of the Treasury program ensures that all legitimate warrants are paid expeditiously. This function also ensures that all revenues are deposited within legally required time frames to maximize interest earnings and minimize collection overhead. Appropriations for state fiscal management programs total \$167.2 million and provide 395.0 FTE positions.

**FIGURE 67**  
**AVERAGE YIELD ON STATE FUNDS IN THE STATE TREASURY, FISCAL YEARS 2014 TO 2021**



SOURCE: Comptroller of Public Accounts.

**REVENUE ADMINISTRATION**

The revenue administration program area collects and processes the state’s taxes, including taxes on sales, franchises, crude oil, natural gas, fuels, motor vehicle sales, cigarettes, and alcoholic beverages. CPA also collects and remits local sales taxes on behalf of approximately 1,500 Texas city and county governments, special districts, and transit authorities. This area also is responsible for maintaining taxpayer accounts and processing tax payment exceptions and adjustments. During fiscal year 2021, the agency processed approximately 6.2 million tax returns. In fulfilling these responsibilities, revenue administration relies heavily on information technology systems to improve service and voluntary compliance with tax laws through multiple automated systems. Those systems include access to self-service options for taxpayers to register, pay, and file taxes either through online or automated voice-activated systems. Advanced document management systems help staff support a high-volume, paper-intensive, and time-sensitive operation. Instead of manually processing millions of tax returns, documents, and payments, processing occurs through a scanning and imaging system, which enables timely and accurate processing and results in fewer taxpayer data errors. Appropriations for the revenue administration program total \$68.2 million and 423.4 FTE positions.

**STATEWIDE PROCUREMENT**

The statewide procurement program area is responsible for procurement and support services for state and local government agencies. As the state’s purchasing manager,

the CPA's Statewide Procurement Division has more than 9,600 registered state vendors and awards hundreds of statewide contracts for goods and services. The division's duties range from administering the Centralized Master Bidders List to processing bid invitations, tabulations, and awards for all statewide term, Texas Multiple Award Schedules, and open-market contracts. The division also provides a statewide training and certification program for state agencies, a state credit card account for travel and vehicle management, and support for the Statewide Historically Underutilized Business Program. The program area also consists of the State Mail Office and the Office of Vehicle Fleet Management. The State Mail Office supports statewide mail-related initiatives such as postage and reviews of mail equipment and services for other agencies. The Office of Vehicle Fleet Management is charged primarily with the administration and management of the State Vehicle Fleet Management Plan, which details recommendations to improve the administration and operation of the state's vehicle fleet, and the statewide vehicle data reporting system, which assists agencies in managing their fleets. Appropriations for the statewide procurement program area total \$14.3 million and provide 91.1 FTE positions.

#### **OTHER PROGRAM AREAS**

Other programs that CPA administers include the property tax program and unclaimed property administration. The property tax program provides the annual Property Value Study (PVS), which is used to certify the taxable value of all property in the state's approximately 1,000 school districts, to the Commissioner of Education to determine allocations of state funding for public education. Agency field appraisers inspect and appraise real and personal property by: verifying the condition, description, and contract terms for property that has sold; appraising property that has not sold but is included in the random sample of properties to be studied; obtaining deed information from county clerks; and collecting sales data from listing services, real estate brokers, and fee appraisers. The program develops values for properties that are appraised uniformly across county lines, such as railroads, pipelines, utilities, oil and gas interests, and agricultural and timber lands. Although the agency conducts the PVS annually, approximately one-half of Texas school districts are subjects of the PVS each year. For a year in which a school district is not a subject of the PVS, the values certified for the district are determined by the appraisal district. The program also conducts reviews of governance,

taxpayer assistance, operations, and appraisal procedures during the years in which a PVS is not conducted. Appropriations for the property tax program include \$31.1 million and 138.3 FTE positions.

CPA also administers the unclaimed property program. Businesses, financial institutions, and government entities, referred to as holders, remit property to CPA that is presumed abandoned. Property typically is in the form of forgotten bank accounts, insurance proceeds, uncashed checks, security deposits, and utility refunds. The agency processes claims and provides outreach efforts to help owners identify and claim their property, including an online searchable database, notice mailings, and participation in MissingMoney.com, a national unclaimed property database. Appropriations for the program include \$21.8 million and 79.4 FTE positions.

#### **SIGNIFICANT LEGISLATION**

##### **Senate Bill 13 – State contracts with and investments in companies that boycott energy companies.**

The legislation prohibits state agencies from contracting with or investing in financial companies that boycott fossil fuel-based energy firms. It also requires CPA to prepare and maintain, and provide to each state governmental entity, a list of all financial companies that boycott energy companies. The legislation does not apply to government entities that determine the requirements are inconsistent with constitutional or statutory duties related to the issuance, incurrence or management of debt obligations, or the deposit, custody, management, borrowing or investment of funds.

##### **Senate Bill 248 – Regulation of tobacco products.**

The legislation regulates retail sales and delivery of e-cigarettes and related products, including requiring permits, imposing fees, and providing administrative penalties. The legislation expands the definition of e-cigarette to include a consumable liquid solution or other material aerosolized or vaporized during the use of an electronic cigarette or similar device, regardless of whether the liquid or other material contains nicotine.

##### **House Bill 2404 – Database of local economic development agreements.**

The legislation requires CPA to develop and make accessible on the Internet a free database that contains information regarding all local development agreements in the state. It also requires CPA to send a notice to local governments regarding noncompliance and applies civil penalties for noncompliance.

## FISCAL PROGRAMS WITHIN THE OFFICE OF THE COMPTROLLER OF PUBLIC ACCOUNTS

**PURPOSE:** Statewide programs that are subject to the oversight of the Comptroller of Public Accounts, including disbursements to local governments, payment of unclaimed property claims, energy conservation programs, and payment of claims, settlements, and judgments against the state.

**ESTABLISHED:** 1850

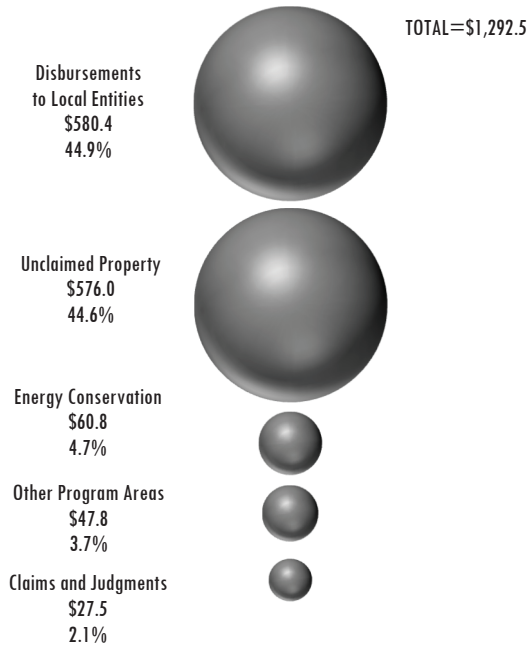
**AUTHORIZING STATUTE:** The Texas Constitution, Article IV, §23

**GOVERNANCE:** Comptroller of Public Accounts, statewide elected official

**FIGURE 68**  
**FISCAL PROGRAMS WITHIN THE OFFICE OF THE COMPTROLLER OF PUBLIC ACCOUNTS**  
**BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$1,462.3	\$1,150.7	(\$311.6)	(21.3%)	<table border="1"> <tr> <td><b>2022</b></td> <td>20.0</td> </tr> <tr> <td><b>2023</b></td> <td>20.0</td> </tr> </table>	<b>2022</b>	20.0	<b>2023</b>	20.0
<b>2022</b>	20.0								
<b>2023</b>	20.0								
General Revenue–Dedicated Funds	\$55.7	\$42.2	(\$13.5)	(24.2%)					
Federal Funds	\$20.2	\$27.6	\$7.4	36.5%					
Other Funds	\$19.9	\$72.0	\$52.0	261.3%					
<b>Total, All Methods of Finance</b>	<b>\$1,558.1</b>	<b>\$1,292.5</b>	<b>(\$265.6)</b>	<b>(17.0%)</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Funding levels represent a **decrease of \$4.0 million** for the State Energy Conservation Office, primarily due to a **decrease in projected repayments from energy efficiency project loans** compared to expenditures made during the previous biennium.

A funding increase of **\$23.4 million** is provided for the **Texas Bullion Depository for the acquisition of real property or construction of buildings for the purpose of operating the depository**, pursuant to Senate Bill 2230, Eighty-seventh Legislature, Regular Session, 2021.

Supplemental appropriations for fiscal year 2021 include **\$271.2 million** to pay contract obligations of the **Texas Guaranteed Tuition Plan** provided by House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.

A funding increase of **\$5.0 million** is provided for the **Broadband Development Office**, pursuant to House Bill 5, Eighty-seventh Legislature, Regular Session, 2021, relating to the expansion of broadband services.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Appropriations for the 2022–23 biennium for Fiscal Programs within the Office of the Comptroller of Public Accounts (CPA) total \$1.3 billion in All Funds. The largest funding items include \$576.0 million for the payment of unclaimed property claims and \$483.3 million for reimbursements to cities and counties of mixed-beverage taxes; both amounts are projected to be consistent with those in the 2020–21 biennium. Additionally, appropriations for mixed-beverage tax reimbursements maintain statutorily set minimum disbursement levels of 10.7143 percent of mixed-beverage gross receipts and sales taxes.

Funding increases are provided for acquisition of property or construction of facilities for the Texas Bullion Depository (\$23.4 million) and for administration of the State Broadband Development Office (\$5.0 million).

Additionally, House Bill 2, Eighty-seventh Legislature, Regular Session 2021, provided \$271.2 million in General Revenue Funds for fiscal year 2021 for payment of contract obligations of the Texas Guaranteed Tuition Plan.

In addition, and not included in amounts shown in **Figure 68**, the agency is appropriated \$7,845.9 million in Federal Funds from stimulus funding related to the COVID-19 pandemic for the Unemployment Compensation Fund (\$7,245.4 million), Broadband Infrastructure (\$500.5 million), and Texas Treasury Safekeeping Trust Company for the benefit of the Bullock Texas State History Museum (\$100.0 million).

## PROGRAMS

Fiscal Programs within the Office of the CPA carry out responsibilities through five major program areas: (1) disbursements to local entities; (2) unclaimed property; (3) energy conservation; (4) claims and judgments; and (5) other program areas.

### DISBURSEMENTS TO LOCAL ENTITIES

Appropriations within the disbursements to local entities program area typically provide for state obligations for disbursements to cities and counties. The largest disbursement within this area is of mixed-beverage revenues, both the gross receipts tax and sales tax, pursuant to the Texas Tax Code, Section 183.051. Pursuant to the Texas Tax Code and the Eighty-sixth Legislature, General Appropriations Act, 2022–23 Biennium, CPA is required to distribute to counties and incorporated municipalities 10.7143 percent

of mixed-beverage tax revenues received from permit holders within the county or municipality. Estimated funding of \$483.3 million is included for this purpose.

Appropriations for this area also allocate an estimated \$48.6 million to counties for roads and bridges, including a portion of gross weight and axle weight permit fees and a portion of motor fuels tax revenue, pursuant to the Texas Transportation Code. Counties in which University of Texas endowment lands are located also receive funding distributions, which are estimated at \$20.1 million, from CPA for payment of county taxes, pursuant to constitutional provisions. Grant funding of \$9.4 million is allocated to local law enforcement agencies for continuing education and training of peace officers. Additionally, funding of \$19.0 million is provided for payments to certain qualifying cities and counties to offset their loss of revenue from total property tax exemptions for 100.0 percent-disabled veterans or their surviving spouses. Total funding for disbursements to local entities includes \$580.4 million.

### UNCLAIMED PROPERTY

Appropriations also provide payments of individuals' claims for unclaimed property that was presumed abandoned and remitted to the state by businesses, financial institutions, and government entities. Property typically is in the form of forgotten bank accounts, insurance proceeds, uncashed checks, security deposits, and utility refunds. Funding for payment of these claims is estimated to be \$576.0 million for the 2022–23 biennium.

### ENERGY CONSERVATION

The energy conservation program area includes administration of the State Energy Conservation Office (SECO) and distribution of Oil Overcharge Funds and federal State Energy Program funds for energy efficiency projects. SECO's largest program, Loans to Save Taxes and Resources (LoanSTAR), is a revolving loan program that finances energy-efficient facility retrofits for state agencies, institutions of higher education, cities, counties, public schools, hospitals, and other government entities. The program's revolving loan mechanism enables borrowers to repay loans through cost savings generated by the funded projects. Funding for the LoanSTAR program comes from two sources: Oil Overcharge Funds and federal State Energy Program funds. Oil Overcharge Funds became available to states in accordance with federal court settlements dealing with violations of price controls in effect for crude oil and refined petroleum products from calendar years 1973 to

1981. Approximately \$146.2 million in Oil Overcharge Funds, which includes pending loan payments, is allocated to LoanSTAR. Additionally, approximately \$84.9 million in funds from the federal American Recovery and Reinvestment Act of 2009, which includes pending payments, are incorporated into the LoanSTAR Program. **Figure 69** shows the distribution of LoanSTAR loans by entity type for the 2020–21 biennium.

SECO administers other energy programs that provide technical assistance, training, and grants to state agencies and local entities related to energy conservation and renewable or alternative fuels. Appropriations for energy conservation programs total \$60.8 million and 15.0 full-time-equivalent positions.

**CLAIMS AND JUDGMENTS**

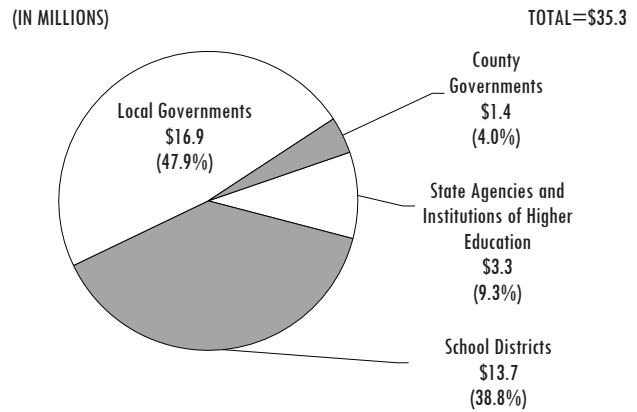
The claims and judgments program area provides for payment of certain claims, judgments, and settlements against the state. Appropriations provide for payments of settlements approved and judgments issued by federal courts and settlements and judgments issued by state courts related to the Texas Civil Practice and Remedies Code, Chapters 101 and 104, pertaining to government liability and state liability for the conduct of public servants. These settlements and judgments include indemnification for criminal prosecution, and medical malpractice claims against institutions of higher education, pursuant to the Texas Education Code, Chapter 59.

Authority also is provided for CPA to pay other miscellaneous claims against the state for which an appropriation otherwise does not exist or for which the appropriation has lapsed, and payments to individuals wrongfully imprisoned. Appropriations for claims and judgments total \$27.5 million.

**OTHER PROGRAM AREAS**

Other programs and functions administered within the Fiscal Programs include the following: payments to victims of crime who have not made claims for restitution from local probation departments; contracts with external tax examiners to perform audits and for modernization of tax administration technology; the Texas Bullion Depository; the Broadband Development Office; and funding outside of the Treasury for the Habitat Protection Fund for research on certain species for the development and administration of conservation plans. Funding levels for these programs total \$47.8 million for the 2022–23 biennium.

**FIGURE 69**  
**LOANSTAR PROGRAM DISTRIBUTIONS OF APPROPRIATIONS, 2020–21 BIENNIUM**



SOURCE: Comptroller of Public Accounts.

**SIGNIFICANT LEGISLATION**

**Senate Bill 2230 – Acquisition of Real Property or Construction of Buildings for the Texas Bullion Depository.** The legislation authorizes the Texas Public Finance Authority and the Bond Review Board to sell and issue bonds to finance the acquisition or construction of a building to be used for the Texas Bullion Depository. CPA is authorized to lease this building to a private tenant for commercial activities after its acquisition or construction, and to use money obtained from the lease to repay any debts or bonds used to acquire the property.

**House Bill 5 – Establishing the Broadband Development Office.** The legislation establishes the Broadband Development Office (BDO), within CPA’s purview, to enhance broadband access within the state. It requires the BDO to establish a program to award grants, low-interest loans, and other financial incentives to applicants for the purpose of expanding access to and adoption of broadband service in underserved areas. The legislation requires the BDO to maintain a map that classifies the eligibility for BDO financial incentives of each designated area in the state and to prepare a plan that establishes long-term goals for greater access to and adoption, affordability, and use of broadband service in the state. The legislation also establishes the Broadband Development Account as a General Revenue–Dedicated Account consisting of legislative appropriations, gifts, grants, donations, and federal funding received for the purpose of broadband development.

**House Bill 1505 – Establishing a pole replacement program for broadband facilities.** The legislation establishes the



Broadband Pole Replacement Program to facilitate deployment of broadband in rural areas by reimbursing a portion of pole replacement costs. The program, administered by CPA, reimburses pole owners or broadband service providers the lesser of 50.0 percent of eligible pole replacement costs or \$5,000 for removing and replacing existing poles in unserved areas to accommodate the attachment of an eligible broadband facility. The legislation establishes the Broadband Pole Replacement Fund as a fund in the state Treasury outside of General Revenue Funds and directs CPA to make a onetime transfer of money received from the federal Coronavirus Capital Projects Fund to the fund.

## SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

**PURPOSE:** To administer payment of state and employee Social Security and Medicare taxes to the federal government.

**ESTABLISHED:** 1935

**AUTHORIZING STATUTE:** The Texas Government Code, §606.063

**GOVERNANCE:** N/A

**FIGURE 70**  
**SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$1,306.2	\$1,315.0	\$8.9	0.7%	<table border="1"> <tr> <td>2022</td> <td>0.0</td> </tr> <tr> <td>2023</td> <td>0.0</td> </tr> </table>	2022	0.0	2023	0.0
2022	0.0								
2023	0.0								
General Revenue–Dedicated Funds	\$186.3	\$194.6	\$8.3	4.4%					
Federal Funds	\$201.7	\$245.4	\$43.7	21.7%					
Other Funds	\$141.1	\$144.9	\$3.9	2.7%					
<b>Total, All Methods of Finance</b>	<b>\$1,835.2</b>	<b>\$1,899.9</b>	<b>\$64.7</b>	<b>3.5%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

State contributions for Social Security fund the 6.2 percent employer payroll tax and the 1.45 percent Medicare payroll tax.

Benefit Replacement Pay is a benefit supplement for certain state employees that began employment before September 1, 1995.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Appropriations for the 2022–23 biennium for the employer Social Security payroll tax constitute an increase of \$69.3 million in All Funds. This increase is related primarily to payroll growth for higher education employees and full-time-equivalent position changes at certain state agencies and institutions of higher education.

Appropriations for the 2022–23 biennium for Benefit Replacement Pay (BRP) contributions decreased by approximately \$4.6 million in All Funds, which corresponds to the anticipated annual turnover of 17.2 percent for state employees hired before September 1, 1995.

## PROGRAMS

The Comptroller of Public Accounts (CPA) is responsible for the payment of state and employee Social Security taxes to the federal government. Appropriations for the 2022–23 biennium fund the 6.2 percent employer payroll tax contribution for the Social Security program and the 1.45 percent payroll tax for the state Medicare program. The Social Security wage base, which is the amount of wages subject to the 6.2 percent tax, increased from \$128,400 for fiscal year 2018 to \$147,000 for fiscal year 2022. Since calendar year 1993, Medicare-taxable earnings have no limit.

Also appropriated to CPA within the Social Security benefits program area are BRP contributions for certain state employees. Before fiscal year 1996, the state paid for a portion of the employees' Social Security obligations. The Seventy-fourth Legislature, 1995, replaced that portion with a benefit supplement to ensure that employees' take-home pay was not reduced. Employees retain BRP as long as they do not have a lapse in service from the state for 30 days. Employees hired after August 31, 1995, are not eligible to receive the benefit supplement or the additional state-paid Social Security benefit.

As with Employees Retirement System state contributions, the General Appropriations Act allocates the Social Security appropriation by functional area of state government, as shown in **Figure 71**.

**FIGURE 71**  
**SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY, 2020–21 AND 2022–23 BIENNIA**

(IN MILLIONS)	ESTIMATED	APPROPRIATED		PERCENTAGE
CATEGORY	2020–21	2022–23	BIENNIAL CHANGE	CHANGE
<b>Social Security – Employer Match</b>				
General Government	\$85.8	\$86.7	\$1.0	1.1%
Health and Human Services	\$379.1	\$382.9	\$3.8	1.0%
Education	\$660.3	\$699.5	\$39.2	5.9%
Judiciary	\$26.3	\$26.6	\$0.3	1.2%
Public Safety and Criminal Justice	\$386.5	\$402.5	\$16.1	4.2%
Natural Resources	\$76.2	\$80.0	\$3.8	5.0%
Business and Economic Development	\$163.4	\$168.1	\$4.7	2.9%
Regulatory	\$26.0	\$26.3	\$0.3	1.1%
Legislature	\$17.1	\$17.3	\$0.2	1.0%
<b>Subtotal, Social Security</b>	<b>\$1,820.7</b>	<b>\$1,890.0</b>	<b>\$69.3</b>	<b>3.8%</b>
<b>Benefit Replacement Pay</b>				
General Government	\$1.3	\$0.9	(\$0.4)	(31.4%)
Health and Human Services	\$4.5	\$3.1	(\$1.4)	(31.4%)
Education	\$0.3	\$0.2	(\$0.1)	(31.4%)
Judiciary	\$0.3	\$0.2	(\$0.1)	(31.4%)
Public Safety and Criminal Justice	\$3.6	\$2.5	(\$1.1)	(31.4%)
Natural Resources	\$1.2	\$0.8	(\$0.4)	(31.4%)
Business and Economic Development	\$2.6	\$1.8	(\$0.8)	(31.4%)
Regulatory	\$0.4	\$0.3	(\$0.1)	(31.4%)
Legislature	\$0.2	\$0.1	(\$0.1)	(31.4%)
<b>Subtotal, Benefit Replacement Pay</b>	<b>\$14.5</b>	<b>\$10.0</b>	<b>(\$4.6)</b>	<b>(31.4%)</b>
<b>Total, Social Security and Benefit Replacement Pay</b>	<b>\$1,835.2</b>	<b>\$1,899.9</b>	<b>\$64.7</b>	<b>3.5%</b>

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.

## COMMISSION ON STATE EMERGENCY COMMUNICATIONS

**PURPOSE:** To preserve and enhance public safety and health in Texas through reliable access to emergency communications services. Agency functions support the standardized 911 emergency communications services statewide and maintain the state’s poison control network.

**ESTABLISHED:** 1987

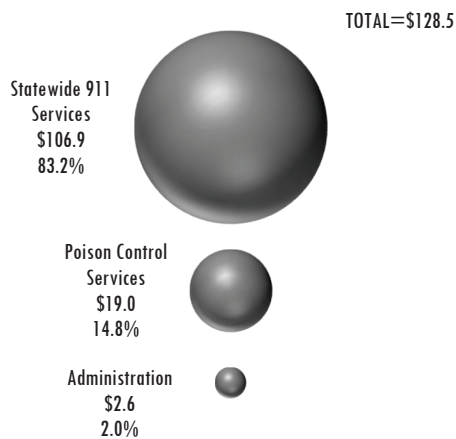
**AUTHORIZING STATUTE:** The Texas Health and Safety Code, Chapter 771

**GOVERNANCE:** Commission—12 members: nine appointed members and three ex officio members

**FIGURE 72**  
**COMMISSION ON STATE EMERGENCY COMMUNICATIONS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A	
General Revenue–Dedicated Funds	\$144.3	\$124.6	(\$19.8)	(13.7%)	
Federal Funds	\$7.0	\$4.0	(\$3.0)	(43.0%)	2022 26.0
Other Funds	\$0.0	\$0.0	\$0.0	N/A	
<b>Total, All Methods of Finance</b>	<b>\$151.3</b>	<b>\$128.5</b>	<b>(\$22.8)</b>	<b>(15.1%)</b>	<b>2023 26.0</b>

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations of **\$9.9 million** are provided for grants to **replace obsolete 911 equipment** during the 2022–23 biennium.

An additional **\$3.0 million** is appropriated to the poison control program to support staffing levels at poison centers to meet national accreditation and for a case management system.

**The agency’s 911 program serves more than 4.0 million Texans**, or about 15.0 percent of the state’s population. The poison control program serves all residents of the state.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Funding for the Commission on State Emergency Communications (CSEC) decreased by \$22.8 million, primarily due to the exit of the North Central Texas Council of Government (NCTCOG) during the 2020–21 biennium and a long-term decrease in revenues from emergency service fees levied on wireless and wired phone lines. Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, provides an additional \$150.0 million in federal funding related to the COVID-19 pandemic for the purpose of funding the transition to Next Generation 9-1-1 services across the state, in addition to amounts appropriated in the Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 biennium.

Not including Federal Funds provided in Senate Bill 8, appropriations of General Revenue–Dedicated Funds constitute 96.9 percent of the agency’s budget with the remaining 3.1 percent supplied from other Federal Funds. General Revenue–Dedicated Funds appropriations to the agency are derived from four telecommunications fees: the 911 equalization surcharge, the emergency service fee, the wireless emergency service fee, and the prepaid wireless emergency service fee. **Figures 73** and **74** show an overview of each telecommunications fee for the 2022–23 biennium. As shown in **Figure 73**, the decrease in the emergency service fee collected is attributed to fewer households having standard phones and instead using wireless services. General Revenue–Dedicated Account No. 5050, 9-1-1 Service Fees (Account No. 5050), historically has provided the majority of funds for the agency’s 911 program. The decreases in the emergency services fee revenue sources places the account at risk of depletion. As a result, the agency was directed to propose a sustainable funding structure for the statewide

program in the 2022–23 GAA, Rider 9, Plan for Continued Funding of Statewide 9-1-1 Services.

**PROGRAMS**

The agency carries out its responsibilities through two major program areas: (1) administering the state 911 service program; and (2) the statewide poison control program.

**STATEWIDE 911 SERVICES**

The first major program area is providing 911 emergency communication services statewide primarily by administering grants to regional planning commissions (RPC). The agency also undertakes public education efforts, reviews regional plans for compliance with statewide standards and funding allocations, coordinates 911 activities with emergency communications districts and national organizations, and participates in state and federal regulatory proceedings.

Texas residents who use landline telephones in their homes or businesses to place 911 calls can be located immediately because their addresses are relayed to a 911 public safety answering point (PSAP). In addition, wireless carriers are required to provide the wireless telephone number from which a 911 call is made to the PSAP. All counties in Texas have implemented services that assist emergency responders by providing (1) a callback number in the event of a dropped call, and (2) the caller’s location by providing the phone’s approximate location by latitude and longitude.

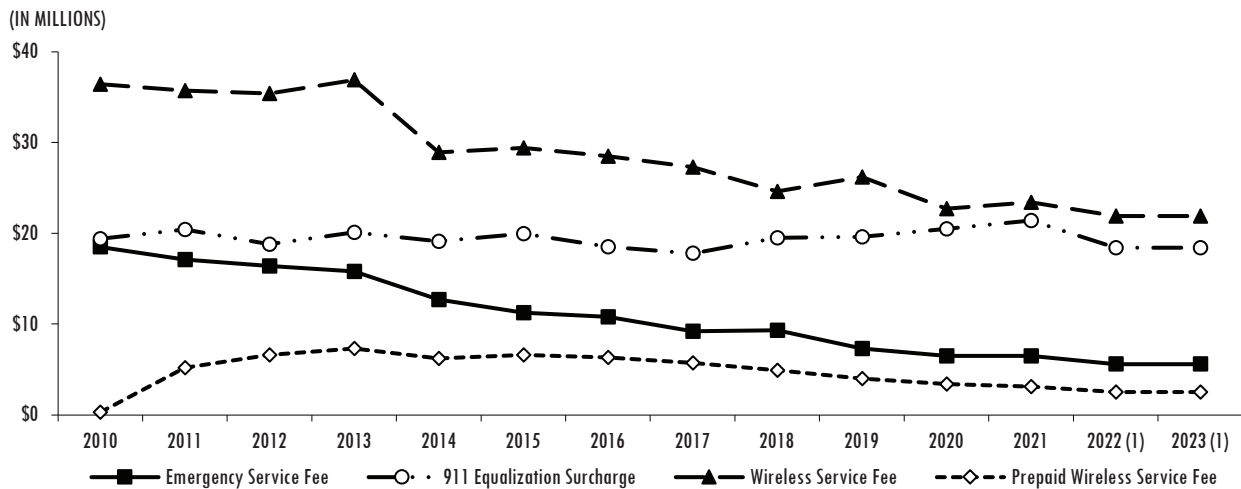
In fiscal year 2010, CSEC began funding a transition to Next Generation 9-1-1 services, formerly called the Emergency Services Internet Protocol Network. This new service will be compatible with digital devices that transmit texts, images, and videos. Additionally, emergency calls will route faster,

**FIGURE 73**  
**COMMISSION ON STATE EMERGENCY COMMUNICATIONS TELECOMMUNICATION FEES, 2020–21 BIENNIUM**

CHARACTERISTIC	EMERGENCY SERVICE FEE	EMERGENCY SERVICE FEE FOR WIRELESS CONNECTIONS	PREPAID WIRELESS EMERGENCY SERVICE FEE (1)	911 EQUALIZATION SURCHARGE
Rate	Maximum of \$0.50 per telephone line per month; may vary by RPC, currently at \$0.50 in all 20 RPCs	\$0.50 per wireless connection per month	2.0% of the retail sale of the prepaid wireless service	Not more than \$0.06 per telephone line or wireless connection per month; excludes prepaid wireless
Levied on	Standard telephone service	Wireless telephone service	Prepaid wireless telephone service	Standard and wireless telephone service
Rate set by	Agency, with review and comment by PUC	Legislature	Legislature	Agency, with review and comment by PUC

NOTES:  
 (1) Fee on prepaid wireless service was collected beginning June 1, 2010.  
 (2) RPC=regional planning commission; PUC=Public Utility Commission.  
 SOURCE: Commission on State Emergency Communications.

**FIGURE 74**  
**COMMISSION ON STATE EMERGENCY COMMUNICATIONS COLLECTIONS OF TELECOMMUNICATION FEES**  
**FISCAL YEARS 2010 TO 2023**



NOTE: (1) Amounts for fiscal years 2022 and 2023 are estimated.  
 SOURCE: Commission on State Emergency Communications.

more efficiently, and more reliably. Caller information will be able to transfer among geographically dispersed PSAPs and to the appropriate public safety dispatchers. Full implementation of Next Generation 9-1-1 services for RPCs in the CSEC statewide program is expected in fiscal year 2023 with a final appropriation of \$7.7 million.

Appropriations for 911 activities include a net decrease of \$26.4 million from the 2020–21 biennium. This amount includes a decrease of \$24.4 million for 9-1-1 Network Operations due to the exit of the NCTCOG from CSEC’s 911 program, a decrease in grants to Regional Planning Commissions to preserve Account No. 5050 balances, and a decrease in appropriations due to the expected completion of the Next Generation 9-1-1 project in fiscal year 2023.

**POISON CONTROL SERVICES**

The agency’s second major program area provides a statewide poison control center network that aids in the treatment and prevention of poisonings. The Texas Poison Center Network provides information to individuals that call the poison control toll-free telephone number and suspect they have been exposed to toxic substances. The network is composed of six geographically diverse poison centers located within medical facilities and linked by a telecommunications network. Individuals that call the poison control network speak directly with a healthcare professional trained in various aspects of toxicology and poison control and

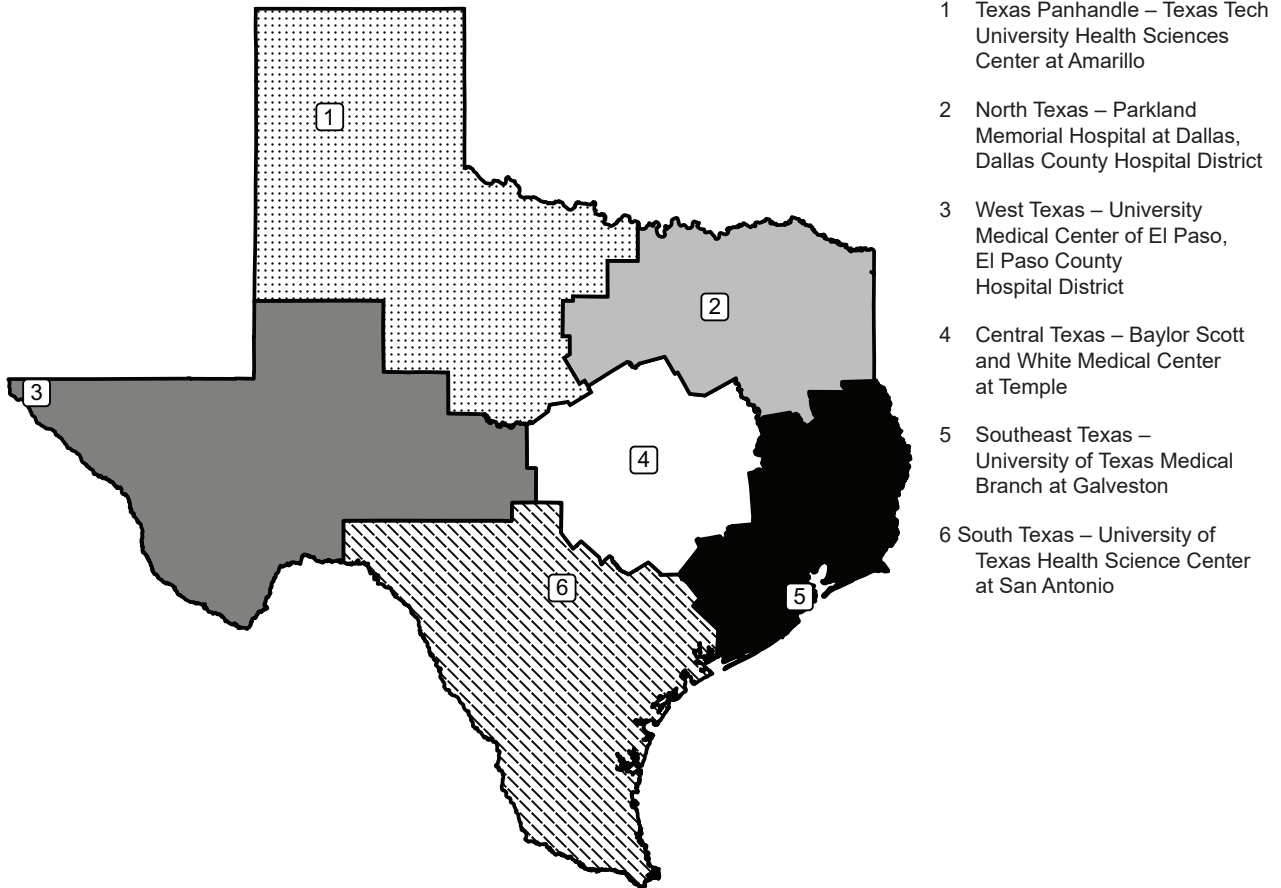
prevention. The aim is to provide sufficient information to treat a poisoning incident at home, precluding the dispatch of emergency medical services or a visit to a healthcare facility. According to the federal Centers for Disease Control and Prevention, research has shown that poison centers save up to \$15 in healthcare expense for every \$1 spent.

The agency operates a program, which is defined in statute, to award grants to the six regional poison control centers, shown in **Figure 75**. The regional centers are located at the University of Texas Medical Branch at Galveston, the Dallas County Hospital District/Parkland Hospital, the University of Texas Health Sciences Center at San Antonio, the Texas Tech University Health Sciences Center at Amarillo, the Scott and White Memorial Hospital at Temple, and the University Medical Center of El Paso, El Paso County Hospital District. The agency also oversees poison center operations and administers the telecommunications network operations. Appropriations for the poison control center program total \$19.0 million, which includes an increase of \$3.0 million to support staffing levels at poison centers that meet national accreditation requirements and standards and funding for a new case management system software.

**SIGNIFICANT LEGISLATION**

**House Bill 2911 – Establishing the Next Generation 9-1-1 service fund.** The legislation establishes the Next Generation 9-1-1 Service Fund and directs the Comptroller

**FIGURE 75**  
**TEXAS POISON CENTER NETWORK, 2022–23 BIENNIUM**



SOURCE: Commission on State Emergency Communications.

of Public Accounts to transfer Federal Funds as appropriated for the completion of Next Generation 9-1-1 service. Funds are authorized to be used by CSEC and emergency communication districts for the deployment and operation of Next Generation 9-1-1 services. Funds transferred to this account must be distributed by December 31, 2022, and expended by December 31, 2024.



## TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM

**PURPOSE:** The Texas Emergency Services Retirement System is a statewide retirement system with a pooled investment fund established to finance pension, death, and disability benefits for volunteer firefighters and volunteer emergency medical personnel.

**ESTABLISHED:** 1977

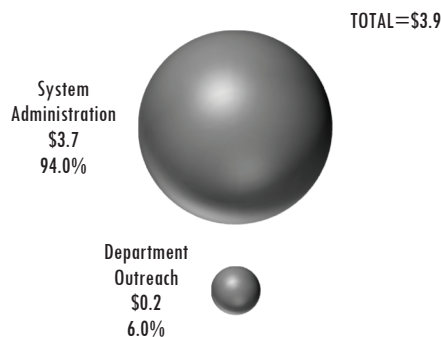
**AUTHORIZING STATUTE:** The Texas Government Code, §865.001

**GOVERNANCE:** Board of Trustees—nine members appointed by the Governor, subject to Senate confirmation

**FIGURE 76**  
**TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS	
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE		
General Revenue Funds	\$1.3	\$1.4	\$0.0	1.5%	2022	10.0
General Revenue—Dedicated Funds	\$2.5	\$2.5	\$0.0	0.0%		
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	2023	10.0
Other Funds	\$0.0	\$0.0	\$0.0	N/A		
<b>Total, All Methods of Finance</b>	<b>\$3.9</b>	<b>\$3.9</b>	<b>\$0.0</b>	<b>0.5%</b>		

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The state's contribution to the retirement system consists of **\$2.5 million from the General Revenue—Dedicated Account No. 5064, Volunteer Fire Department Assistance.**

The December 2020 actuarial valuation found that the system has an **adequate contribution arrangement** to pay for the normal cost and amortize the unfunded actuarial accrued liability in **30 years.**

The agency provided **\$6.9 million in benefit payments to 3,837 retirees and beneficiaries** during fiscal year 2020.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

The Texas Emergency Services Retirement System (TESRS) was appropriated \$3.9 million in All Funds for the 2022–23 biennium.

**PROGRAMS**

The agency carries out its responsibilities through two major program areas: (1) administering the retirement system, and (2) department outreach.

**SYSTEM ADMINISTRATION**

The primary function at the agency is to administer the statewide retirement system for volunteer firefighters and volunteer emergency medical personnel in Texas. This function includes collecting contributions, investing the proceeds, and calculating and paying benefits to retirees and their beneficiaries. Contributions to TESRS are made by participating departments on behalf of each eligible member. State statute directs a state contribution as necessary to make the system actuarially sound each year; the state contribution is capped at one-third of local governing bodies’ contributions to the system. The state’s contribution to the system for the 2022–23 biennium is \$2.5 million from General Revenue–

Dedicated Fund No. 5064, Volunteer Fire Department Assistance. The actuarial valuation in December 2020 found that the system has an adequate contribution arrangement to pay for the normal cost and amortize the unfunded actuarial accrued liability in 30 years.

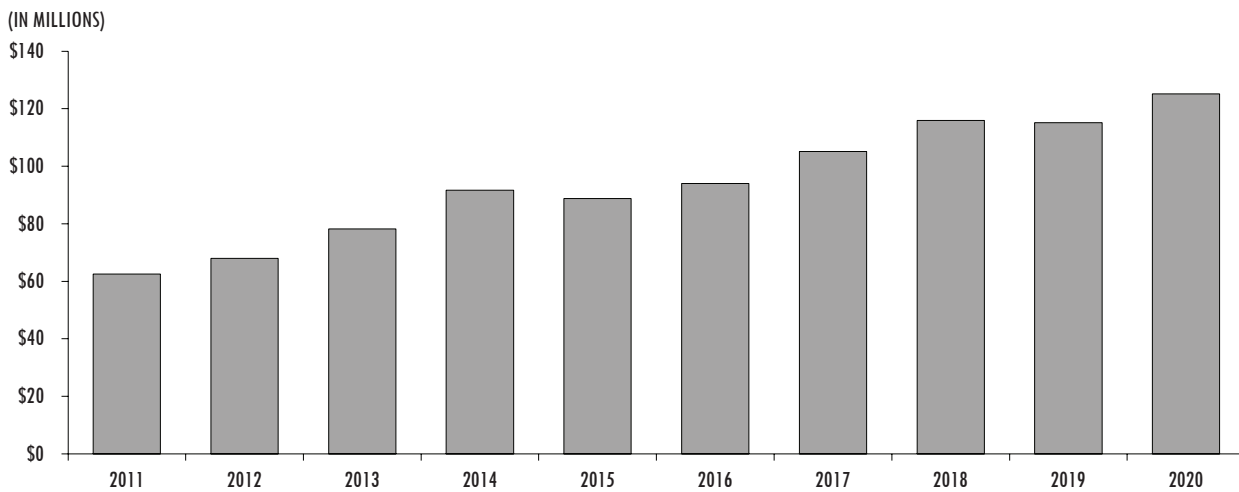
At the end of fiscal year 2020, 238 fire departments and emergency service districts participated in TESRS, representing 9,258 vested and nonvested individuals, including 3,634 active members. At the close of fiscal year 2020, the system provided monthly annuity payments to 3,837 retirees and beneficiaries, totaling approximately \$6.9 million in benefit payments for the year.

**Figure 77** shows the net market value of TESRS assets from fiscal years 2011 to 2020.

**DEPARTMENT OUTREACH**

Recruiting and technical assistance is a newer program area at the agency that began during fiscal year 2016. Appropriations provide funding to enroll more departments into the system and monitor departments. Appropriations for these activities include \$231,922 in General Revenue Funds for the 2022–23 biennium and 2.0 full-time-equivalent positions.

**FIGURE 77**  
**TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM FUND NET MARKET VALUE OF ASSETS**  
**FISCAL YEARS 2011 TO 2020**



SOURCE: Texas Emergency Services Retirement System.

## EMPLOYEES RETIREMENT SYSTEM OF TEXAS

**PURPOSE:** To provide retirement, insurance, and death and survivor benefits to state employees, retirees, and eligible family members; and manage assets held in a trust.

**ESTABLISHED:** 1947

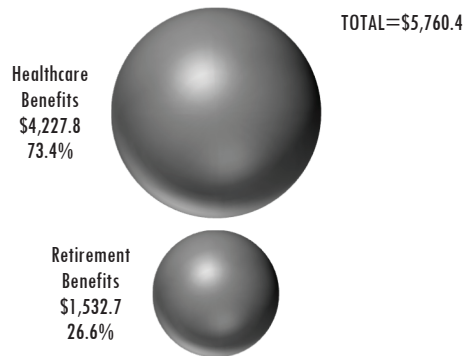
**AUTHORIZING STATUTE:** The Texas Constitution, Article XVI, §67(a)

**GOVERNANCE:** Board of Trustees—one member appointed by Governor, one appointed by the Chief Justice of the Supreme Court, and one appointed by the Speaker of the House of Representatives, all with advice and consent of the Senate, and three elected members

**FIGURE 78**  
**EMPLOYEES RETIREMENT SYSTEM OF TEXAS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$4,447.1	\$3,781.0	(\$666.2)	(15.0%)	<b>2022</b> 415.0  <b>2023</b> 415.0
General Revenue–Dedicated Funds	\$337.7	\$299.2	(\$38.5)	(11.4%)	
Federal Funds	\$1,043.1	\$1,023.0	(\$20.1)	(1.9%)	
Other Funds	\$746.2	\$657.3	(\$88.9)	(11.9%)	
<b>Total, All Methods of Finance</b>	<b>\$6,574.2</b>	<b>\$5,760.4</b>	<b>(\$813.8)</b>	<b>(12.4%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Senate Bill 321, Eighty-seventh Legislature, Regular Session, 2021**, requires the state to make **legacy payments** in the amount necessary to amortize the system's unfunded actuarial liability no later than the fiscal year ending **August 31, 2054**.

**Senate Bill 321** also restructures the retirement benefit for members of the Employees Retirement System of Texas and the Law Enforcement and Custodial Officer Supplemental retirement program hired on or after September 1, 2022, from an **average salary** defined benefit to a **cash balance** defined benefit.

**State per-member contribution amounts for the Group Benefits Program** have remained consistent since fiscal year 2018 due to cost savings in contracts.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Funding for programs administered by the Employees Retirement System of Texas (ERS) decreased by \$813.8 million in All Funds, or 12.4 percent, from the 2020–21 biennium. This decrease is due primarily to supplemental appropriations made in fiscal year 2021 in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, to ERS of \$1,020.0 million in All Funds for legacy payments toward the system’s unfunded actuarial liability.

The funding to ERS includes an increase of \$37.7 million in All Funds for the state contribution to the ERS retirement plan based on 0.5 percent payroll growth in fiscal years 2021, 2022, and 2023. Funding is based on the contribution structure of 9.5 percent of salary from the state, 0.5 percent from agencies and 9.5 percent from members, and salary increases at certain state agencies.

**Figure 79** shows 2022–23 biennial appropriations for all benefits administered by ERS, compared with 2020–21 biennial budgeted and expended amounts.

**PROGRAMS**

The agency carries out responsibilities through two major program areas: (1) healthcare benefits; and (2) retirement benefits. The appropriations are made within each article in the General Appropriations Act.

**HEALTHCARE**

ERS provides healthcare benefits to state employees, retirees, and their dependents through the Group Benefits Program (GBP). This program provides group health insurance, life insurance, dental insurance, accident insurance, and short-term and long-term income protection insurance for disability to GBP participants. Newly hired employees become eligible to receive health benefits on the first day of the month following their sixtieth day of employment. The state pays 100.0 percent of the insurance premium for full-time employees and 50.0 percent of dependent coverage; members pay the other 50.0 percent of dependent coverage. Active employees who work part-time receive a state contribution equal to 50.0 percent of the rate of full-time employees for health insurance. Employees are fully responsible for the costs of voluntary coverage, such as accidental death insurance, dental insurance, and disability plans.

The combination of state contributions, the 1.0 percent agency contribution, employee premium payments, refunds, rebates, and subsidies earned from the federal Medicare Part D prescription drug plan provide revenue for the insurance trust fund, which provides funding for expenses paid by the healthcare program. **Figure 80** shows the distribution of funding sources for the benefits and the major categories of expenditures projected for the 2022–23 biennium. **Figure 81** shows the GBP reserve fund balance from fiscal years 2012 to 2021.

**FIGURE 79**  
**EMPLOYEES RETIREMENT SYSTEM OF TEXAS EMPLOYEE BENEFITS APPROPRIATIONS IN ALL FUNDS, 2020–21 AND 2022–23 BIENNIA**

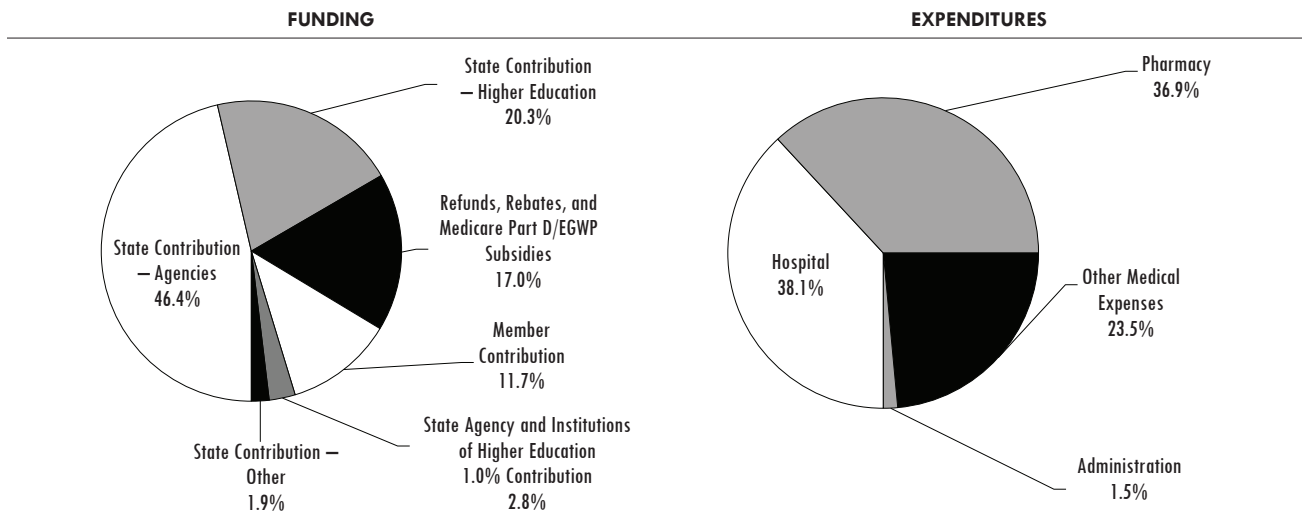
(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE (1)	PERCENTAGE CHANGE (1)
<b>BENEFITS</b>				
Employees Retirement System of Texas Retirement Contributions	\$1,353.0	\$1,390.8	\$37.7	2.8%
Law Enforcement and Custodial Officers Supplemental Retirement Fund	\$17.1	\$19.4	\$2.3	13.3%
Judicial Retirement System – Plan II	\$28.5	\$28.5	\$0.0	0.1%
Judicial Retirement System – Plan I	\$39.5	\$38.9	(\$0.5)	(1.4%)
Public Safety Benefits	\$28.7	\$27.6	(\$1.1)	(3.8%)
Retiree Death Benefits	\$28.8	\$27.5	(\$1.3)	(4.5%)
Group Insurance Program	\$3,915.3	\$4,083.2	\$167.9	4.3%
Community Supervision and Correctional Department Group Insurance	\$143.3	\$144.5	\$1.2	0.9%
Legacy Payments (2)	\$1,020.0	\$0.0	(\$1,020.0)	(100.0%)
<b>Total</b>	<b>\$6,574.2</b>	<b>\$5,760.4</b>	<b>(\$813.8)</b>	<b>(12.4%)</b>

NOTES:

- (1) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.
- (2) House Bill 2, Eighty-seventh Legislature, Regular Session appropriated \$1,020.0 million in All Funds for the 2020–21 biennium to ERS for legacy payments towards the system’s unfunded actuarial liability.

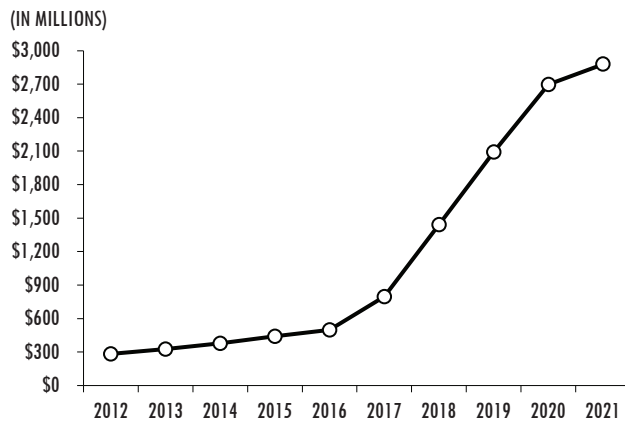
SOURCE: Legislative Budget Board.

**FIGURE 80**  
**DISTRIBUTION OF EMPLOYEES RETIREMENT SYSTEM HEALTHCARE FUNDING AND EXPENDITURES, 2022–23 BIENNIUM**



NOTE: EGWP=Employer Group Waiver Plan.  
SOURCE: Employees Retirement System of Texas.

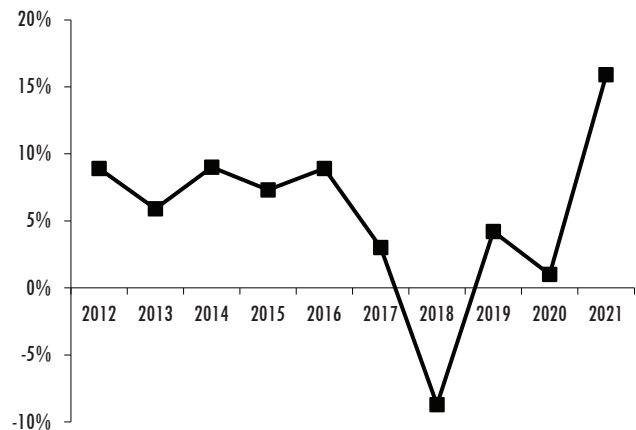
**FIGURE 81**  
**GROUP BENEFITS PROGRAM RESERVE FUND BALANCE**  
**FISCAL YEARS 2012 TO 2021**



Note: Fiscal year 2021 amount is estimated.  
SOURCE: Employees Retirement System of Texas.

Through a separate appropriation to the Higher Education Group Insurance program, the state also contributes toward group insurance for higher education employees that are paid with state funds. The University of Texas and Texas A&M University systems administer separate group health insurance programs for their employees and retirees. Employees and retirees of the other institutions of higher education, including community colleges, are part of the Group Benefits Program within ERS.

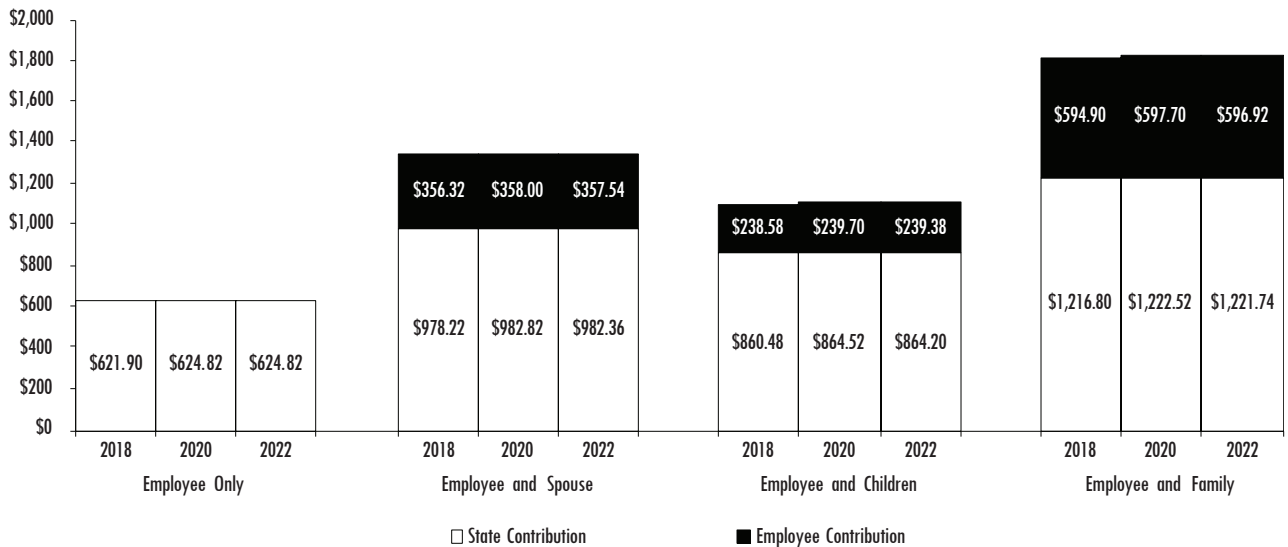
**FIGURE 82**  
**COST TREND FOR HEALTH PLAN BENEFITS**  
**FISCAL YEARS 2012 TO 2021**



NOTE: Fiscal year 2021 amount is estimated.  
SOURCE: Employees Retirement System of Texas.

ERS offers a prescription drug plan and a managed healthcare plan called HealthSelect through the state-contracted vendors, OptumRx and Blue Cross Blue Shield, respectively. Although ERS self-insures the programs, outside administrators are contracted with the state to administer the managed-care, point-of-service health plan and the prescription drug plan. The system also contracts with various health maintenance organizations that serve primarily urban areas across Texas to provide state employees with healthcare alternatives to HealthSelect. **Figure 82** shows the cost trend for health plan benefits from fiscal years 2012 to 2021.

**FIGURE 83**  
**HEALTHSELECT MONTHLY CONTRIBUTION LEVELS, FISCAL YEARS 2018, 2020, AND 2022**



SOURCE: Employees Retirement System of Texas.

The state contribution for group insurance covers various levels of health coverage, depending on the category of coverage selected by the employee (e.g., employee only, employee and spouse). **Figure 83** shows the state and employee contributions as portions of the total cost in each of the various coverage categories for the HealthSelect plan for fiscal years 2018, 2020, and 2022. Member and state contribution levels have remained consistent since fiscal year 2018 due to achieving significant cost savings in the OptumRx and Blue Cross Blue Shield contracts.

**RETIREMENT**

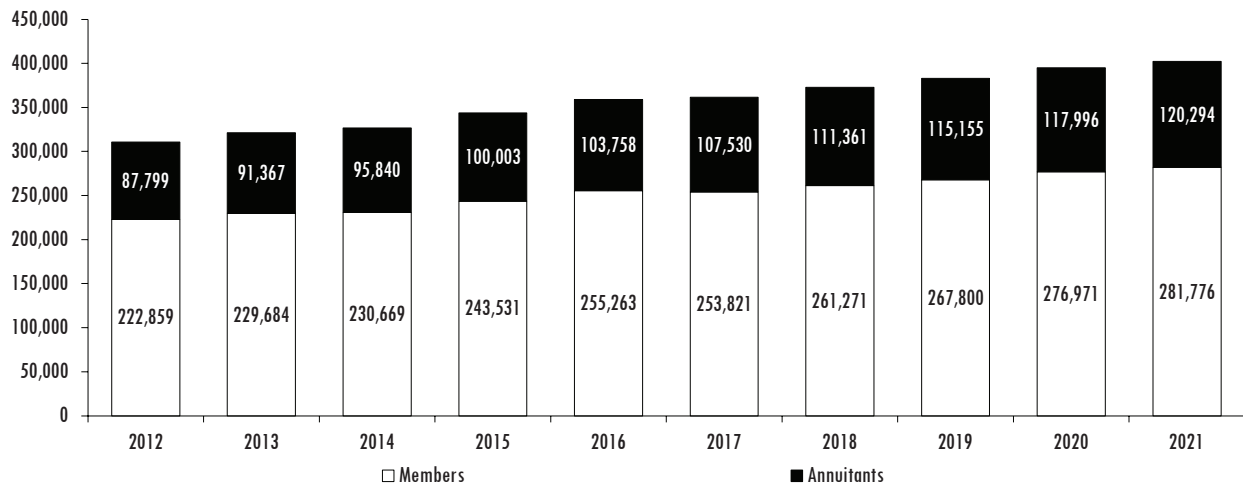
The second program area that ERS administers includes various retirement and death benefits available to state employees. ERS Retirement is the primary retirement plan that the system offers to general state employees and elected members. This plan is a defined-benefit retirement that results in a guaranteed annuity. The formula used to calculate a member’s annuity multiplies years of service by final average salary by the benefit multiplier of 2.3 percent. Pursuant to the Texas Constitution, the state’s contribution for employees’ retirement may not exceed 10.0 percent of total payroll except in an emergency determined by the Governor, nor may it be less than 6.0 percent of total payroll. The state’s retirement contribution rate established by the Eighty-seventh Legislature, 2021, is 9.5 percent for each fiscal year of the 2022–23 biennium; when combined with the 0.5

percent agency contribution, the total state contribution is 10.0 percent.

An actuarial valuation report is completed annually for the ERS retirement trust fund, and an additional valuation update is completed during each regular legislative session. An actuarial valuation is a report regarding the financial status of the pension plan. The valuation includes a measurement of the plan’s accrued liability and compares it to the plan’s assets, then analyzes the reasons for changes from the previous plan year. The valuation also determines the actuarial soundness of the total contribution rate to the pension plan. For the plan to be actuarially sound, contributions must be sufficient to fund the normal cost, which is the cost of benefits being earned during the plan year by active members, and to amortize the unfunded accrued liability during no more than 31 years. According to the August 31, 2021, actuarial valuation report, the funding period at the end of fiscal year 2021 is 33 years.

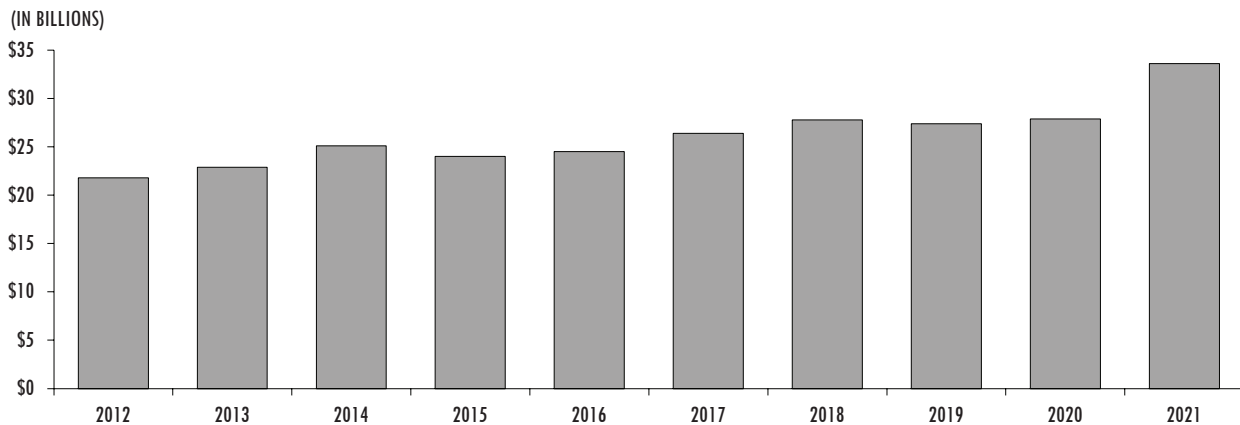
The August 31, 2021, actuarial valuation of the ERS retirement trust fund assessed the unfunded actuarial accrued liability—the amount of liabilities in excess of the assets—at \$14.1 billion, a decrease of \$600.0 million from the August 31, 2020, actuarial valuation. The plan’s funded ratio, which is the plan’s assets divided by the plan’s liabilities, was 68.0 percent, which is 2.0 percentage points greater than the August 31, 2020, funded ratio of 66.0 percent.

**FIGURE 84**  
**EMPLOYEES RETIREMENT SYSTEM OF TEXAS MEMBERSHIP, FISCAL YEARS 2012 TO 2021**



SOURCE: Employees Retirement System of Texas.

**FIGURE 85**  
**MARKET VALUE OF EMPLOYEES RETIREMENT SYSTEM OF TEXAS CONSOLIDATED PENSION INVESTMENT FUND ASSETS**  
**FISCAL YEARS 2012 TO 2021**



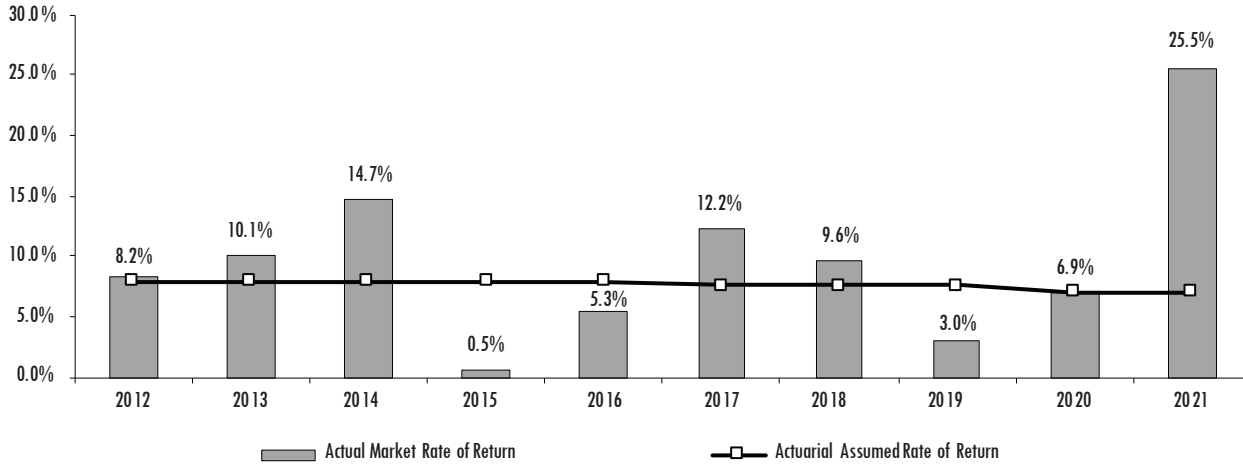
SOURCE: Employees Retirement System of Texas.

As of August 31, 2021, ERS had 136,726 active contributing members and 145,050 noncontributing members, which are former state employees who have not withdrawn their retirement funds. At that time, 120,294 retirees and beneficiaries were receiving annuities. **Figure 84** shows ERS membership for current and retired employees since fiscal year 2012.

Trained professional personnel, in accordance with trustee policies and constitutional and statutory regulations, invest state contributions, member contributions, and investment income. To assist the agency staff with

investment recommendations and decisions, the ERS board employs investment managers and utilizes an Investment Advisory Committee composed of financial and business community professionals appointed by the ERS board. ERS also retains an independent consultant to evaluate and analyze investment results. As of August 31, 2021, the market value of the ERS assets was \$33.6 billion, which was \$5.7 billion more than at the end of fiscal year 2020. **Figure 85** shows the fluctuating market value trend in the assets of the ERS retirement fund since fiscal year 2012, with the decrease during fiscal year 2015 attributable to national economic downturn.

**FIGURE 86**  
**EMPLOYEES RETIREMENT SYSTEM TRUST FUND ASSETS ANNUAL RATES OF RETURN ON INVESTMENT,**  
**ACTUAL COMPARED TO ASSUMED**  
**FISCAL YEARS 2012 TO 2021**



NOTE: The five-year average annual return is 11.17 percent, and the 10-year average annual return is 9.40 percent.  
 SOURCE: Employees Retirement System of Texas.

Figure 86 shows the annual gross rate of return on investment for the retirement trust fund’s assets since fiscal year 2012, and the assumed rate of return, which was 8.0 percent until 2017 when the board changed it to 7.5 percent. The rate was changed to 7.0 percent in May 2020.

Certain members of ERS are also members of the Law Enforcement and Custodial Officer Supplemental (LECOS) Retirement Fund, which provides an increased retirement benefit for certain employees who are certified peace officers and custodial officers. LECOS funds a 0.5 percent supplement to the principal retirement formula. This supplement increases the total retirement formula to 2.8 percent per year of service for those officers that have completed 20.0 years or more of services or have become occupationally disabled while serving as commissioned law enforcement or custodial officers. Members of LECOS will receive about 82.0 percent of their retirement annuity from the ERS Trust Fund and 18.0 percent from the LECOS Retirement Fund Trust. The state’s LECOS contribution rate established by the Eighty-seventh Legislature, 2021, is 0.5 percent for the 2022–23 biennium, which continues the contribution rate from the 2020–21 biennium.

According to the August 31, 2021, actuarial valuation of the LECOS fund, the combined contribution rate is estimated to be 0.5 percent member contribution and 0.5 percent state contribution of payroll and \$15.0 million in

court fees for fiscal year 2022. According to that report, the actuarially sound contribution rate is 3.25 percent. Therefore, the combined contributions are insufficient to pay down the existing unfunded accrued liability. Thus, the expected funding period remains infinite. The assets are anticipated to be depleted in fiscal year 2050.

As of August 31, 2021, the market value of the LECOS Retirement Fund was \$1.1 billion, an increase of \$168.7 million from the August 31, 2020, valuation report.

Eligible employees include law enforcement officers with the Texas Department of Public Safety, the Texas Alcoholic Beverage Commission, the Texas Parks and Wildlife Department, custodial officers at the Texas Department of Criminal Justice, and parole officers and caseworkers at the Board of Pardons and Paroles. As of August 31, 2021, 32,498 active members were contributing to the fund, 29,626 members were noncontributing, and 15,343 retirees and beneficiaries were receiving supplemental benefits.

ERS administers two retirement plans for judges: the Judicial Retirement System I (JRS I) and Judicial Retirement System II (JRS II). JRS I was closed on August 31, 1985, and is financed on a pay-as-you-go basis. Funds required for monthly annuity payments and refunds of member contributions are appropriated each fiscal year from General Revenue Funds. As of August 31, 2021, less than 10 active contributing members remained in the system.



JRS II was established for judges who took the bench on or after September 1, 1985. The JRS II plan is prefunded on an actuarial basis, similarly to the ERS Retirement Fund and the LECOS Retirement Fund. The state contribution rate established by the Eighty-seventh Legislature, 2021, is 15.663 percent for each fiscal year of the 2022–23 biennium, which continues the contribution rate from the 2020–21 biennium. For fiscal year 2022, the member contribution rate is 9.5 percent of payroll, which continues the contribution rate from the 2020–21 biennium. Member contributions are optional after members accrue 20.0 years of service credit or have served 12.0 years on an appellate court and attained the Rule of 70, in which the sum of the judge’s age and the judge’s amount of service credit in the retirement system equals or exceeds the number 70. According to the August 31, 2021, actuarial valuation of the JRS II fund, the fiscal year 2021 combined contribution rate of 25.05 percent (15.663 percent state contribution and a 9.39 percent effective member contribution) is less than the contribution rate required for the fund to be actuarially sound, which is 33.10 percent. According to the same valuation, the fund is expected to be depleted in fiscal year 2076. As of August 31, 2021, 584 active members were contributing with 192 noncontributing members. As of the same date, 528 retirees and beneficiaries were receiving annuities.

**Figure 87** shows the combined contributions to the ERS retirement trust fund, the LECOS retirement fund, and the JRS II fund.

ERS also administers two death benefit programs, public safety death benefits and retiree death benefits. Survivors of a law enforcement officer, firefighter, or other public safety employee killed in the line of duty receive a \$518,661 payment and other benefits such as funeral expenses and additional benefits for surviving children. Retiree death benefits include a \$5,000 lump-sum death benefit provided to the survivor or estate of a person retired while a member of any of the retirement programs administered by ERS. Retiree death benefits are the appropriation made directly to the agency.

## SIGNIFICANT LEGISLATION

### **Senate Bill 321 – Changes to the contribution structure of ERS and legacy payments for unfunded liability.**

The legislation changes the contribution structure and retirement benefits for members of ERS and LECOS. The legislation restructures the retirement benefit for members

**FIGURE 87**  
**STATE AND MEMBER CONTRIBUTION RATES FOR ERS RETIREMENT, LECOS, AND JRS II, FISCAL YEAR 2022**

CATEGORY	ERS RETIREMENT	LECOS	JRS II (1)
State	9.50%	0.50%	15.66%
Member	9.50%	0.50%	9.39%
Other	0.5% (2)	\$15.0 million (3)	N/A
<b>Total</b>	<b>19.50%</b>	<b>1.00%</b> <b>+ \$15.0 million</b>	<b>25.05%</b>

**NOTES:**

- (1) The member rate for the Judicial Retirement System II (JRS II) is the effective member contribution.
- (2) State agencies contribute 0.5 percent of payroll to the Employees Retirement System (ERS) retirement plan each fiscal year.
- (3) The Law Enforcement and Custodial Officer Supplemental (LECOS) Retirement Fund receives a portion of statutorily collected court costs, which is anticipated to be \$15.0 million.

SOURCES: Legislative Budget Board; Employees Retirement System of Texas.

of both plans hired on or after September 1, 2022, from an average salary defined benefit to a cash balance defined benefit. Members hired after this date will contribute 6.0 percent of their compensation into an individual account, which is guaranteed an annual 4.0 percent interest and opportunity for an additional 3.0 percent in gain sharing depending on trust fund annual investment returns. These employees will be vested after five years of service and will receive a lifetime annuity equal to the member’s accumulated balance plus a state match of 150.0 percent of that account balance at retirement. LECOS members will contribute an additional 2.0 percent to the LECOS cash balance benefit which receives a 300.0 percent state match benefit.

The legislation also requires the state to make legacy payments in the amount necessary to amortize ERS’ unfunded actuarial liability not later than the fiscal year ending August 31, 2054. House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, made supplemental appropriations to ERS for the 2020–21 biennium of \$1,020.0 million in All Funds for part of these legacy payments.

**Senate Bill 1071 – Disability retirement payments for certain peace officers.** The legislation changes the disability retirement benefits for certain peace officers under ERS from 100.0 percent of the officer’s average monthly compensation to a monthly amount computed based on the maximum salary authorized pursuant to the position classification salary schedule in the General Appropriations Act.

**Senate Bill 483 – Report on investment returns.** The legislation requires ERS and the Teacher Retirement System of Texas each to produce a biennial report on investment returns that compares the assumed rate of return and the actual rate of return achieved by each retirement system for the most recent one-year, five-year, 10-year, and 20-year fiscal periods.

**House Bill 917 – Composition of the board of trustees of ERS.** The legislation authorizes one of the three elected members on the board of ERS to be a retiree.

## TEXAS ETHICS COMMISSION

**PURPOSE:** To promote individual participation and confidence in electoral and governmental processes by enforcing and administering ethics laws and by providing information that enables the public to oversee the conduct of public officials and those attempting to influence public officials.

**ESTABLISHED:** 1991

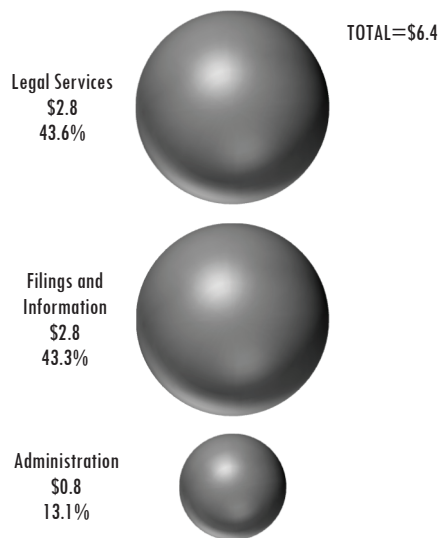
**AUTHORIZING STATUTE:** The Texas Constitution, Article III, §24a

**GOVERNANCE:** Commission—four members appointed by the Governor, two members appointed by the Lieutenant Governor, two members appointed by the Speaker of the House of Representatives, with no more than four commissioners from the same political party

**FIGURE 88**  
**TEXAS ETHICS COMMISSION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS	
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE		
General Revenue Funds	\$7.0	\$6.4	(\$0.7)	(9.8%)	2022	34.4
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A		
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	2023	34.4
Other Funds	\$0.0	\$0.0	(\$0.0)	(100.0%)		
<b>Total, All Methods of Finance</b>	<b>\$7.0</b>	<b>\$6.4</b>	<b>(\$0.7)</b>	<b>(9.8%)</b>		

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The legal services division received **more than 15,000 calls during fiscal year 2021**, and the agency issued **six advisory opinions**.

The agency collected approximately **\$1.8 million in fees for the 2020–21 biennium** related to lobbyist registrations, which were deposited into the General Revenue Fund.

Supplemental appropriations for the 2020–21 biennium of **\$0.3 million** have been provided to maintain and enhance the agency's **Electronic Filing System**, which is used to process statutory filings.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Appropriations for the Texas Ethics Commission (TEC) include a decrease of approximately \$0.7 million in General Revenue Funds. This reduction is concentrated in the Filings and Information program area and is due to the removal of onetime technology funding. In addition, a supplemental appropriation is provided for fiscal year 2021 for enhancements to the agency’s Electronic Filing system in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021. General Revenue Funds constitute 100.0 percent of the agency’s 2022–23 biennial appropriations.

**PROGRAMS**

The agency carries out its responsibilities through three major program areas: (1) filings and information; (2) legal services; and (3) administration.

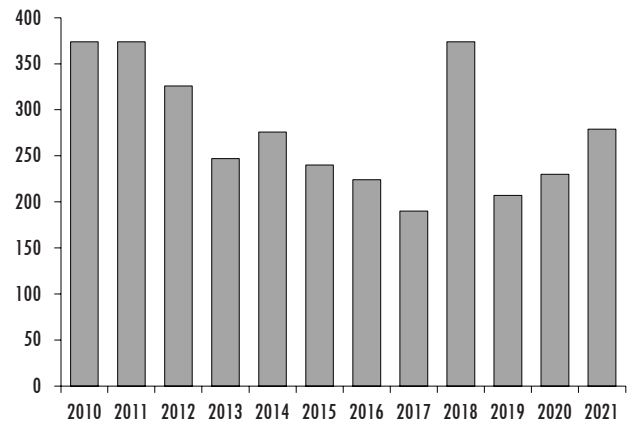
**FILINGS AND INFORMATION**

TEC’s primary program area relates to filings and information, which includes appropriations for administering, supporting, and enforcing deadlines related to financial and campaign reports submitted to the agency by elected officials, candidates for elected office, lobbyists, and certain state officials. TEC makes certain reports available on the agency’s website, and other reports are available upon request. State law requires that certain disclosure reports are filed electronically with the agency. All disclosure reports are processed through an agency-maintained electronic filing system, which was purchased and developed during the 2014–15 biennium. The system consists of web-based filing applications for campaign finance, lobby, and personal financial statements for the state’s filers, an internal filing application manager, and other databases. The Information Resources division manages the filing application and provides the planning, management, and operation of information technology systems and equipment for the agency. Appropriations for filings and information total approximately \$2.8 million for the 2022–23 biennium and provide for 14.0 full-time-equivalent (FTE) positions.

**LEGAL SERVICES**

Another TEC program area provides legal services to the public and filers by responding to requests for guidance, primarily by telephone, and providing instruction regarding laws that the agency administers. TEC utilizes an online training program and agency-developed educational guides and brochures to educate state employees and the public regarding ethics laws. The agency also issues advisory

**FIGURE 89**  
**TEXAS ETHICS COMMISSION SWORN COMPLAINTS RECEIVED, FISCAL YEARS 2010 TO 2021**



SOURCE: Texas Ethics Commission.

opinions, which assist the public and entities that the agency regulates to understand the laws it enforces. For fiscal year 2021, the agency issued six advisory opinions and received more than 15,000 calls to the legal division.

Legal services also include enforcing provisions of campaign finance law, lobby law, and government ethics laws on individuals that file with TEC or with local authorities such as county or city clerks. The agency may initiate investigations and subpoena witnesses pertaining to violations of state law related to ethics. These services include receiving sworn complaints from individuals alleging violation of certain laws that TEC is responsible for enforcing. **Figure 89** shows the number of complaints received by the agency from fiscal years 2010 to 2021. The number of complaints received is related to several factors, such as election timing. TEC is authorized to impose civil penalties through fines for reporting violations. The fines that the agency levies and collects are deposited directly into General Revenue Funds and are not appropriated to the agency. Appropriations for legal services total approximately \$2.8 million for the 2022–23 biennium and provide for 15.4 FTE positions.

**ADMINISTRATION**

The agency’s final program area is administration, which includes the indirect administrative functions that provide agencywide support functions, including executive leadership, finance, purchasing, human resources management, and staff services. Appropriations for administration total approximately \$0.8 million for the 2022–23 biennium and provide for 5.0 FTE positions.

## TEXAS FACILITIES COMMISSION

**PURPOSE:** To support state government through strategic planning, asset management, design, construction, maintenance, and leasing of state facilities and the reallocation or disposal of state and federal surplus.

**ESTABLISHED:** 2007

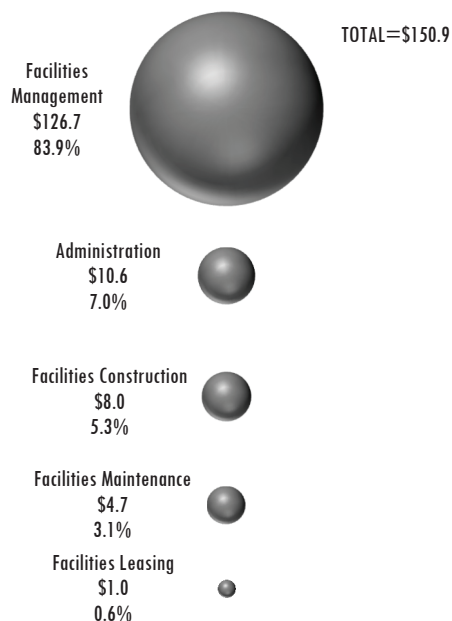
**AUTHORIZING STATUTE:** The Texas Government Code, Chapter 2152

**GOVERNANCE:** Commission—five members appointed by the Governor, and two members appointed by the Lieutenant Governor

**FIGURE 90**  
**TEXAS FACILITIES COMMISSION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$295.9	\$108.9	(\$187.0)	(63.2%)	2022 571.2
General Revenue—Dedicated Funds	\$35.1	\$5.4	(29.7)	(84.7%)	
Federal Funds	\$0.0	\$0.0	0.0	N/A	2023 571.9
Other Funds	\$686.1	\$36.7	(649.5)	(94.7%)	
<b>Total, All Methods of Finance</b>	<b>\$1,017.1</b>	<b>\$150.9</b>	<b>(\$866.2)</b>	<b>(85.2%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**All Funds appropriations decreased by \$711.5 million primarily due to the removal of onetime Revenue Bond appropriations for new buildings in the Capitol Complex and North Austin Complex and an All Funds decrease for deferred maintenance appropriated by previous Legislatures.**

**Supplemental appropriations of \$154.7 million in General Revenue Funds and Other Funds from the Economic Stabilization Fund are provided for various construction and maintenance projects including completion of the Capitol Complex, funding for a flex-space building, and deferred maintenance projects.**

**Appropriations of \$8.1 million and 26.0 full-time-equivalent positions are provided for the operation of new buildings at the Capitol Complex.**

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Funding for the Texas Facilities Commission (TFC) includes a net decrease of \$866.2 million in All Funds primarily due to the following changes: a decrease from Revenue Bond Proceeds for the North Austin Complex and Capitol Complex projects of \$513.4 million and a decrease for deferred maintenance of \$168.3 million in All Funds (including unexpended balances). In addition, \$154.7 million in combined General Revenue and Economic Stabilization Funds was provided in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, in supplemental appropriations for various construction projects, and these new funds also result in a decrease of funding from the 2020–21 biennial amounts. Funding items in House Bill 2 primarily consist of \$34.7 million for completion and relocation of tenant agencies into new Capitol Complex Phase I facilities; \$40.0 million for acquisition of land and construction of a flexible-space multipurpose building; and \$76.5 million for health and safety improvements and deferred maintenance of facilities under the purview of TFC.

In addition, and not included in amounts shown in **Figure 90**, \$40.0 million is appropriated to the agency in Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, for the construction of a mental health facility in the Permian Basin.

## PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) oversight and management of facilities design and construction; (2) oversight and management of facility repairs and deferred maintenance projects; (3) management of state-owned facilities; (4) agency administration; and (5) management of facility leasing for state agencies.

### FACILITIES DESIGN AND CONSTRUCTION

The facilities design and construction program area is responsible for providing professional architectural, engineering, and construction project management services to all state agencies. As of August 2021, TFC is managing 62 projects on behalf of eight state agencies with a total value of approximately \$1.5 billion. This portfolio includes Phase 1 of the North Austin Complex and Phases 1 and 2 of the Capitol Complex projects, totaling \$1.0 billion in Other Funds from Revenue Bond Proceeds for three new office buildings, associated parking structures, and utility infrastructure. Ten

construction contracts, totaling approximately \$262.4 million, were completed during fiscal year 2021, all within budget.

House Bill 2, Regular Session, 2021, provides supplemental appropriations for various projects provided funding for the 2020–21 biennium from the Economic Stabilization Fund of \$34.7 million to complete the construction of facilities included in Phase 1 of the Capitol Complex and \$40.0 million for the purchase of land and the construction of a flexible-space multipurpose building.

### FACILITIES MAINTENANCE

The facilities maintenance program area involves administering the deferred maintenance and minor construction programs. Deferred maintenance projects include repairing or replacing broken or outdated building systems, upgrading building systems to increase building capacities, and improving energy conservation by installing high-efficiency equipment to decrease utility costs. Supplemental funding of \$76.5 million in General Revenue Funds is provided for health and safety improvements and for deferred maintenance. Additionally, \$2.0 million for renewal projects at the Lyndon B. Johnson Building is provided for the 2022–23 biennium.

The minor construction program performs minor renovations and rehabilitation for tenants of TFC buildings on a cost-recovery basis. TFC charges agencies \$75 per hour for minor construction services or contract administration if a private vendor performs the renovation with TFC oversight. The total fee for contract administration varies depending on the size and complexity of the contract.

### FACILITIES MANAGEMENT

The agency's facilities management program area is responsible for custodial services for state-owned buildings, facilities operation and management services, facilities planning, grounds management, parking and special events services, recycling and waste management, surplus property management, and utilities. During fiscal year 2020, the agency's portfolio of leased, owned, and managed facilities totaled more than 22.4 million square feet, supporting the needs of 139 state agencies and 67,082 employees throughout 254 Texas cities and towns. TFC has planning and oversight responsibilities to determine facility requirements and to allocate and assign space to the agencies located in TFC's leased, owned, and managed inventory. This program evaluates and approves all requests for space allocation, relinquishment, or modifications.

**Figure 91** shows that approximately 27.5 percent of all office space occupied by the state in Travis County consists of state-owned or state-built facilities that TFC manages. Statewide, state-owned and state-managed space makes up approximately 28.9 percent of the total inventory of office space that state agencies occupy.

The custodial operations program provides cleaning services for state-owned and state-managed facilities within TFC's inventory. Inspections are performed randomly on all phases of custodial services intended to ensure that quality service is provided. TFC also manages the state's recycling and waste program. The recycling program provides proper disposal of these items at no cost to tenants in TFC-managed buildings.

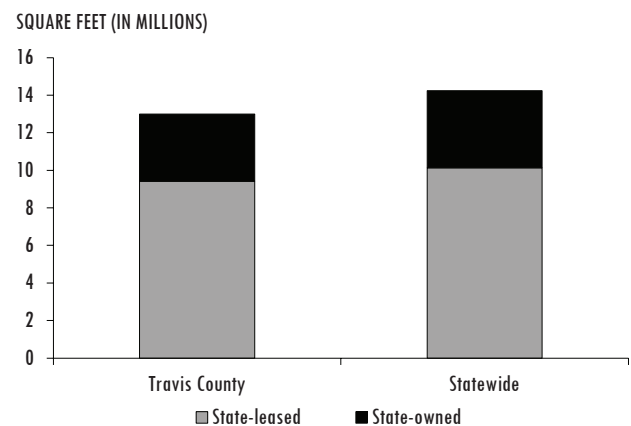
The facilities operations program is responsible for utility plants and building systems. This section is staffed on a continuous 24-hour work schedule to monitor central utility plants that provide chilled water and steam to various buildings. This program is also responsible for 67 standalone systems in buildings that do not receive chilled water or steam from the central utility plants.

Facilities planning is a continuous process at TFC, in which the agency monitors and evaluates facility space utilization and needs along with state agencies' anticipated requirements. TFC works closely with other agencies to develop planning assessments to meet particular agency needs in the areas of space utilization, facility acquisition, disposition, leasing, modification, or new construction.

The grounds maintenance program maintains and repairs the grounds, parking garages, and surface lots on state property in Travis County. Agency staff, in conjunction with contract labor, perform routine landscape maintenance services such as mowing, edging, blowing, and weeding for approximately 333.7 acres of state-owned property in Travis County. Staff also perform nightly cleaning for 17 state-owned parking garages.

The commercial parking and special events program is responsible for administering temporary leasing of state facilities in the Austin area for after-hours parking, movie productions, special events, and tailgating. Additionally, the program administers the conference room reservation system, a web-based scheduling system for conference rooms, common areas, or exterior areas in TFC-managed, state-owned buildings for use by state agencies. During fiscal year 2020, the program generated approximately \$804,000 in revenue returned to the state Treasury from fees charged for parking after hours, on weekends, during excess daytime

**FIGURE 91**  
**STATE OFFICE SPACE, FISCAL YEAR 2021**



SOURCE: Texas Facility Commission.

special events, and lease agreements in the Capitol Complex and Hobby Complex in Austin.

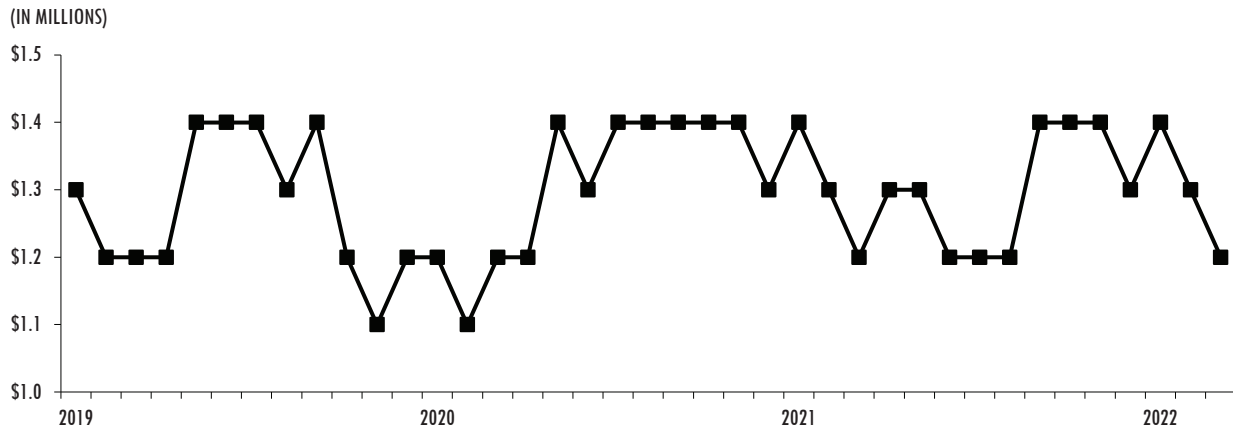
TFC is statutorily charged with the administration of the Texas State and Federal Surplus Property programs. The State Surplus Property Program facilitates the placement and disposal of state surplus and salvage property for state agencies. For fiscal year 2021, the state program deposited proceeds totaling approximately \$5.3 million to the state Treasury, of which a portion may be expended by participating state agencies and counties. The Federal Surplus Property Program is responsible for administering the donation of federal surplus personal property in Texas. During fiscal year 2021, the program generated \$15.2 million in revenue.

The Office of Energy Management explores ways to decrease utility costs and to conserve energy in state-owned facilities. The program oversees procurement, use, and distribution of TFC's utilities appropriations. This function includes performing cost-benefit analysis on equipment, evaluating and improving business practices, refining methods of building operation, developing and implementing program policies and procedures, and researching and planning for the use of advanced technologies. As **Figure 92** shows, monthly utility expenditures fluctuate within any fiscal year, often related to changes in weather conditions. Appropriations for utility payments related to facilities operations for the 2022–23 biennium total \$36.7 million in All Funds.

#### ADMINISTRATION

The agency administration and information technology programs support the overall efficiency and effectiveness of

**FIGURE 92**  
**STATE-OWNED FACILITIES UTILITY EXPENDITURES, FISCAL YEARS 2019 TO 2022**



NOTE: Data as of January 2022.  
 SOURCE: Texas Facilities Commission.

TFC operations. These program areas are funded with approximately \$10.6 million in General Revenue Funds. In addition, supplemental appropriations for fiscal year 2021 provide \$1.6 million in General Revenue Funds to implement the financial resources component of the Centralized Accounting and Payroll/Personnel System and \$0.2 million for data center services.

**FACILITIES LEASING**

TFC’s leasing services program procures and manages leased facilities to meet state agencies’ operational needs throughout the state. During fiscal year 2020, the program managed more than 1,080 active leases for office, warehouse, and training purposes for 36 state agencies in 67 Texas cities and towns. The program evaluates the facility requirements of tenant agencies; monitors real estate market rent and operating-cost characteristics; and procures, negotiates, and manages lease contracts that represent the best value to the state. TFC’s leasing portfolio totaled 10 million square feet with a monetary value of \$181.5 million during fiscal year 2020.



## PUBLIC FINANCE AUTHORITY

**PURPOSE:** To issue General Obligation and revenue bonds for designated state agencies, maintain the Master Lease Purchase Program, and act as the exclusive issuer in other statutes when designated by the Legislature.

**ESTABLISHED:** 1983

**AUTHORIZING STATUTE:** The Texas Government Code, §1232

**GOVERNANCE:** Board of Directors—seven members appointed by the Governor with advice and consent of the Senate

**FIGURE 93**  
**PUBLIC FINANCE AUTHORITY BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$1.6	\$1.8	\$0.2	13.0%	<table border="1"> <tr> <td><b>2022</b></td> <td>16.0</td> </tr> <tr> <td><b>2023</b></td> <td>15.0</td> </tr> </table>	<b>2022</b>	16.0	<b>2023</b>	15.0
<b>2022</b>	16.0								
<b>2023</b>	15.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$1.6	\$1.6	\$0.0	2.1%					
<b>Total, All Methods of Finance</b>	<b>\$3.2</b>	<b>\$3.4</b>	<b>\$0.2</b>	<b>7.7%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Public Finance Authority General Obligation (GO) bond debt totaled \$2.6 billion, with debt service payments totaling \$680.5 million for the 2022–23 biennium.**

The agency approved **six requests for financings, refundings, and cash defeasances** during fiscal year 2021.

**Of \$2.6 billion in outstanding GO bonds, \$1.7 billion, or 66.6 percent, is for bonds for the Cancer Prevention and Research Institute of Texas.**

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Appropriations to fund the Texas Public Finance Authority (TPFA) for the 2022–23 biennium are divided into two components: agency operations, and debt service payments on new and existing General Obligation (GO) bonds. Funding for TPFA’s agency operations increased by \$0.2 million, or 7.7 percent from the 2020–21 biennium. The increase is related primarily to funding for administrative costs concerning the issuance of customer rate relief bonds pursuant to House Bill 1520, Eighty-seventh Legislature, Regular Session, 2021. TPFA is appropriated \$293,736 to fulfill the provisions of the legislation. GO bond debt service appropriations for debt issued by TPFA increased by \$61.8 million, or 10.0 percent, from the 2020–21 biennium.

In addition to amounts included in the agency’s bill pattern, House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, provides supplemental funding to TPFA in fiscal year 2021, including \$60,000 in Other Funds for the Data Center Services and \$82,924 in General Revenue Funds for completion of the Centralized Accounting and Payroll/Personnel System transition.

**PROGRAMS**

TPFA issues GO and revenue bonds for designated state agencies to provide financing for the construction or

acquisition of facilities and maintains the Master Lease Purchase Program to provide financing for equipment acquisition. The agency carries out its responsibilities through two major program areas: (1) issuing and managing bonds on behalf of state agencies; and (2) issuing debt that is not a legal liability of the state on behalf of third-party entities.

**ISSUE AND MANAGE BONDS**

Within the first major program area, TPFA issues GO and revenue bonds for designated state entities, shown in **Figure 94**, and administers the Master Lease Purchase Program, which is used primarily to finance capital equipment such as computers, telecommunications systems, software, vehicles, and energy performance contracts.

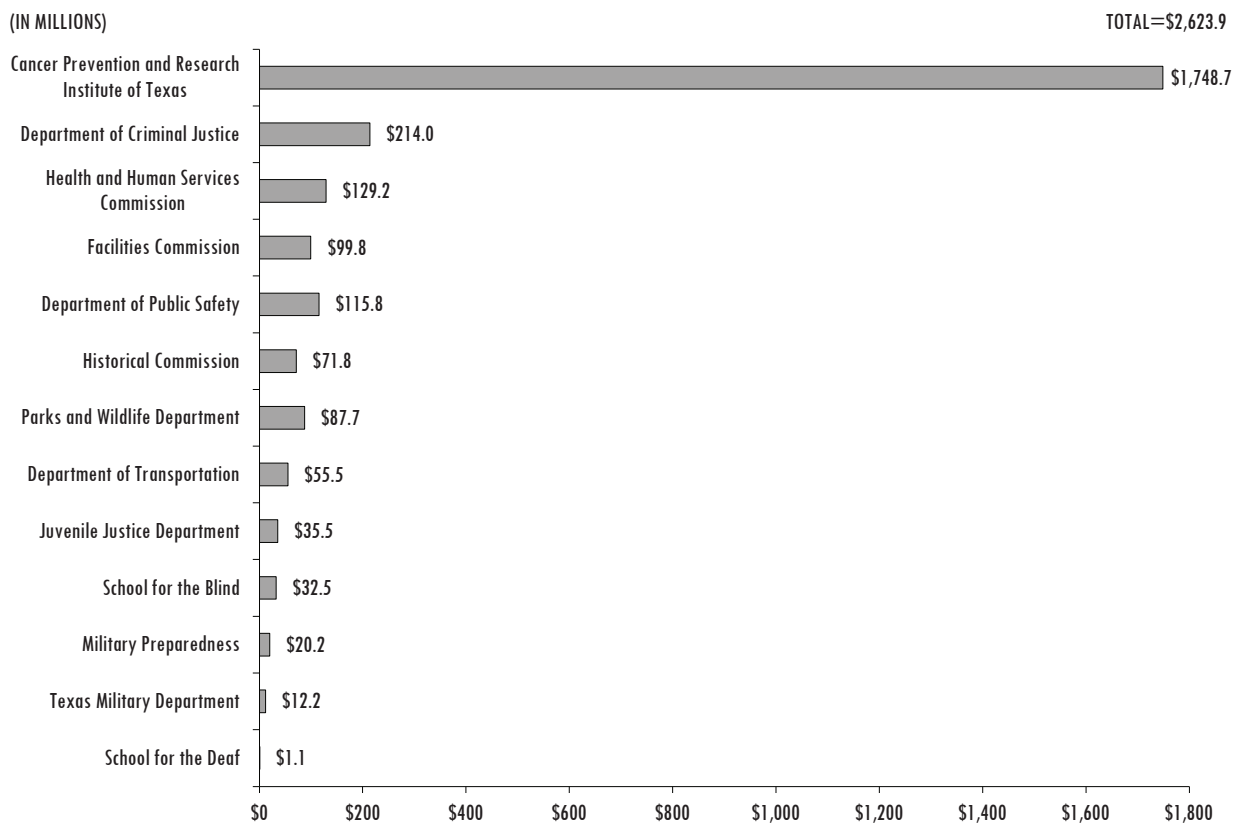
TPFA issues GO bonds on behalf of certain state agencies. GO debt requires a constitutional amendment, approval by two-thirds of the Legislature, and approval by a majority of voters in a statewide election. GO debt is backed by the full faith and credit of the state, requiring that the first monies coming into the state Treasury that are not otherwise constitutionally dedicated are used to pay the debt service on these obligations. The state operates several GO bond programs, including bonds for general state government construction projects on behalf of several state agencies, the

**FIGURE 94  
PUBLIC FINANCE AUTHORITY CLIENT AGENCIES BY TYPE OF FINANCING, 2022–23 BIENNIUM**

GENERAL OBLIGATION BONDS	REVENUE BONDS	MASTER LEASE PURCHASE PROGRAM
Cancer Prevention and Research Institute of Texas	Facilities Commission	All state agencies and institutions of higher education
Facilities Commission	Historical Commission	
Historical Commission	State Preservation Board	
Texas Military Preparedness Commission (Texas Military Value Revolving Loan Fund)	Health and Human Services Commission	
Health and Human Services Commission	Department of State Health Services	
Department of State Health Services	Texas Military Department	
Texas School for the Blind and Visually Impaired	Department of Criminal Justice	
Texas School for the Deaf	Parks and Wildlife Department	
Texas Military Department	Texas Workforce Commission	
Department of Public Safety	Midwestern State University	
Department of Criminal Justice	Texas Southern University	
Juvenile Justice Department	Texas Windstorm Insurance Association	
Department of Agriculture	Department of Transportation	
Texas Agricultural Finance Authority		
Parks and Wildlife Department		
Department of Transportation		

SOURCE: Texas Public Finance Authority.

**FIGURE 95**  
**OUTSTANDING GENERAL OBLIGATION BOND DEBT AS OF AUGUST 31, 2021**



## NOTES:

- (1) Totals may not sum due to rounding.
- (2) State Preservation Board and Department of Agriculture General Obligation bonds debt service are less than \$10,000 per biennium and are not shown.

SOURCE: Texas Public Finance Authority.

Texas Military Revolving Loan Fund for loans to defense communities, and initiatives of the Cancer Prevention and Research Institute of Texas. TPFA monitors all debt obligations to ensure compliance with federal tax law and bond covenants. The agency's staff manages ongoing bond proceeds and ensures timely payments of principal and interest to the bond holders.

As of August 31, 2021, outstanding non-self-supporting GO bonds totaled \$2.6 billion, outstanding self-supporting GO bonds totaled \$20.2 million, and outstanding GO commercial paper totaled \$319.7 million. **Figure 95** shows the amount of debt outstanding by agency. Appropriations for debt service payment for GO bonds total \$680.5 million for the 2022–23 biennium, an increase of \$61.8 million, or 10.0 percent, from the 2020–21 biennial estimated and budgeted amounts.

**Figure 96** shows the appropriations for debt service on GO bonds for the 2022–23 biennium by agency.

Due to favorable market conditions and conservative debt service estimations, TPFA identified \$27.0 million in savings from GO bond debt service payments during the 2020–21 biennium. This amount was decreased in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.

Unlike GO bonds, revenue bonds do not require voter approval. TPFA issues revenue bonds to fund a project on behalf of another state agency and leases the project to the agency. Funds for debt service payments on revenue bonds are appropriated to the applicable agency as lease payments to TPFA. These appropriations typically are made from General Revenue Funds; however, debt service for revenue bonds issued by TPFA for the Texas Department of Transportation's Austin Campus Consolidation project will

**FIGURE 96**  
**GENERAL OBLIGATION BOND DEBT SERVICE APPROPRIATIONS IN ALL FUNDS BY AGENCY, 2022–23 BIENNIUM**

(IN MILLIONS)	ESTIMATED/BUDGETED	APPROPRIATED	BIENNIAL	PERCENTAGE
AGENCY	2020–21	2022–23	CHANGE	CHANGE
Facilities Commission	\$32.7	\$29.6	(\$3.2)	(9.6%)
Historical Commission	\$26.3	\$25.1	(\$1.2)	(4.7%)
Cancer Prevention Institute of Texas	\$293.9	\$377.8	\$83.9	28.5%
Texas Military Preparedness Commission	\$6.4	\$15.8	\$9.4	146.1%
Health and Human Services Commission	\$44.2	\$44.6	\$0.4	0.9%
Texas School for the Blind and Visually Impaired	\$14.5	\$12.5	(\$2.0)	(13.9%)
Texas School for the Deaf	\$0.6	\$0.6	\$0.1	(8.9%)
Texas Military Department	\$4.5	\$4.5	\$0.0	0.3%
Department of Public Safety	\$32.0	\$35.2	\$3.2	10.1%
Juvenile Justice Department	\$14.0	\$12.2	(\$1.8)	(12.8%)
Department of Criminal Justice	\$90.2	\$78.7	(\$11.5)	(12.7%)
Parks and Wildlife Department	\$26.9	\$23.7	(\$3.2)	(11.8%)
Department of Transportation	\$21.3	\$20.3	(\$1.1)	(5.1%)
<b>Total</b>	<b>\$607.5</b>	<b>\$680.5</b>	<b>\$72.9</b>	<b>(12.0%)</b>

## NOTES:

(1) Totals may not sum due to rounding.

(2) State Preservation Board and Department of Agriculture General Obligation bonds debt service are less than \$10,000 per biennia and are not shown.

SOURCE: Texas Public Finance Authority.

**FIGURE 97**  
**REVENUE BOND-RELATED DEBT SERVICE APPROPRIATIONS IN ALL FUNDS, 2022–23 BIENNIUM**

(IN MILLIONS)	ESTIMATED/BUDGETED	APPROPRIATED	BIENNIAL	PERCENTAGE
AGENCY	2020–21	2022–23	CHANGE	CHANGE
Facilities Commission	\$55.5	\$171.7	\$116.2	47.7%
Historical Commission	\$1.1	\$1.0	(\$0.1)	(9.6%)
State Preservation Board	\$5.3	\$0.0	(\$5.3)	(100.0%)
Higher Education Institutions	\$35.1	\$30.2	(\$4.9)	(13.9%)
Texas Military Department	\$2.5	\$1.8	(\$0.7)	(27.0%)
Parks and Wildlife Department	\$0.7	\$0.0	(\$0.7)	(100.0%)
Texas Department of Transportation	\$23.8	\$57.4	\$33.6	141.2%
<b>Total</b>	<b>\$159.3</b>	<b>\$262.2</b>	<b>\$102.8</b>	<b>64.6%</b>

## NOTES:

(1) Higher education institutions include Midwestern State University and Texas Southern University. Higher education estimated/budgeted amounts are not verified by Texas Public Finance Authority because the institutions make their own debt service payments.

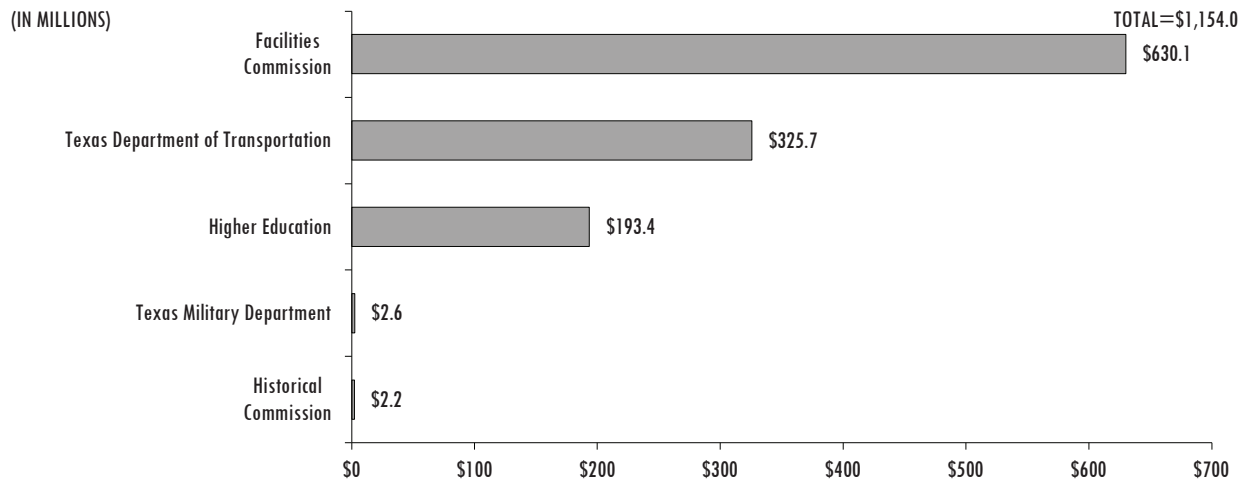
(2) Totals may not sum due to rounding.

SOURCE: Texas Public Finance Authority.

be paid out of the State Highway Fund. Appropriations for debt service payments on revenue bonds total \$262.2 million for the 2022–23 biennium, an increase of \$102.8 million, or 64.6 percent, from 2020–21 biennial spending levels, as shown in **Figure 97**.

As shown in **Figure 98**, outstanding revenue bond debt totaled \$1,154.0 million as of August 31, 2021. Of this amount, \$193.4 million, or 16.8 percent, is outstanding debt primarily for Capital Construction Assistance Projects bonds and other university bonds issued by TPFA on behalf

**FIGURE 98**  
**OUTSTANDING REVENUE BOND (NON-GENERAL OBLIGATION) DEBT, AS OF AUGUST 31, 2021**



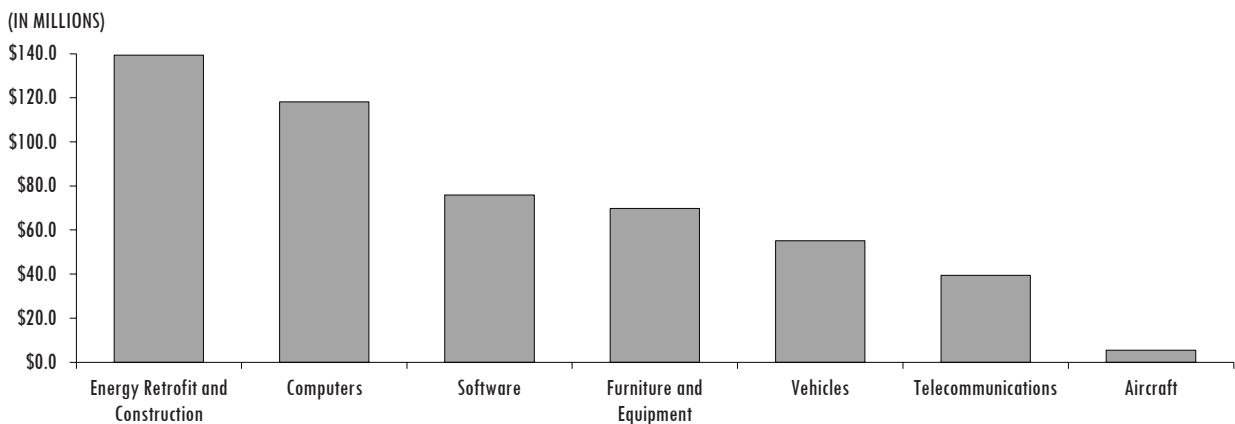
NOTES:

(1) Data includes university bonds for Midwestern State University and Texas Southern University.

(2) Master Lease Purchase Program and conduit debt not included.

SOURCE: Texas Public Finance Authority.

**FIGURE 99**  
**ASSETS FINANCED VIA MASTER LEASE PURCHASE PROGRAM, FISCAL YEARS 1992 TO 2021**



SOURCE: Texas Public Finance Authority.

of certain higher education institutions, which include Midwestern State University and Texas Southern University.

The Master Lease Purchase Program (MLPP) is a lease revenue-financing program initially authorized by the Seventy-first Legislature, Regular Session, 1989, primarily to finance equipment acquisitions for state agencies. The program provides financing for computers, telecommunications, and other capital equipment on purchases of greater than \$10,000, and for equipment with a useful life of at least 3.0 years. MLPP acquisitions are funded with tax-exempt commercial paper, a short-term, variable-rate financing instrument. The agency

charges its client agencies an administrative fee based on the outstanding principal balance of each lease. As of August 30, 2021, approximately \$26.4 million in debt was outstanding for the MLPP.

**Figure 99** shows the total amount of assets and type of projects financed since the program's inception in fiscal year 1992.

**CONDUIT DEBT**

The second major program area is issuing debt that is not a legal liability of the state on behalf of third-party entities. The state is authorized by statute to issue conduit debt for

certain purposes, including charter schools, transportation, single-family mortgages, multifamily dwellings, and economic development. TPFA issues conduit debt for the Texas Windstorm Insurance Association and for Texas charter schools via the TPFA Charter School Finance Corporation. Debt service for conduit debt typically is provided by project revenue and is secured by a third party. Although conduit revenue debt obligations bear the name of the agency as the issuer, the agency is not liable financially for the debt beyond the revenues provided by a lease or loan with the third party on whose behalf they are issued.

### **SIGNIFICANT LEGISLATION**

**House Bill 1520 – Extraordinary costs incurred by gas utilities relating to Winter Storm Uri.** The legislation authorizes TPFA to provide a method of financing for customer rate relief bonds authorized by the Railroad Commission, whose proceeds would be used to reduce the cost that customers would otherwise experience due to the extraordinary costs that gas utilities may incur to secure gas supply and provide service during natural or human-caused disasters, system failures, and other catastrophic events, and to restore gas utility systems after such events by providing securitization financing, enabling gas utilities to recover these costs. TPFA is appropriated \$0.3 million and 1.0 full-time-equivalent position to implement the provisions of this legislation.

**Senate Bill 2230 – Acquisition of real property or construction of buildings for Texas Bullion Depository.** The legislation authorizes TPFA to sell and issue bonds to finance the acquisition or construction of a building to be used for the Texas Bullion Depository. The Comptroller of Public Accounts is authorized to lease this building to a private tenant for commercial activities after its acquisition or construction, and to use money obtained from the lease to repay any debts or bonds used to acquire the property.

## OFFICE OF THE GOVERNOR

**PURPOSE:** As the chief executive officer of Texas, the Governor is responsible for carrying out various constitutional and statutory responsibilities, including serving as the commander in chief of the state’s military forces, serving as the chief budget officer, and appointing members of state boards and commissions.

**ESTABLISHED:** 1845

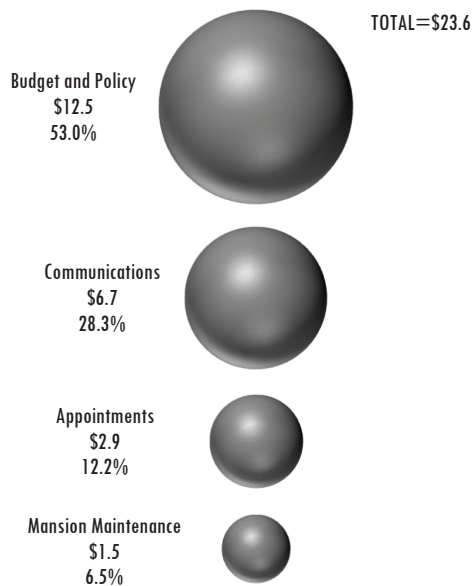
**AUTHORIZING STATUTE:** The Texas Constitution, Article IV

**GOVERNANCE:** Statewide elected official

**FIGURE 100**  
**OFFICE OF THE GOVERNOR BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$35.1	\$23.6	(\$11.5)	(32.8%)	2022 120.1
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	2023 120.1
Other Funds	\$0.0	\$0.0	\$0.0	0.0%	
<b>Total, All Methods of Finance</b>	<b>\$35.2</b>	<b>\$23.6</b>	<b>(\$11.5)</b>	<b>(32.8%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Budget and Policy Division funding includes **\$0.3 million** related to the **Texas Workforce Commission Investment Council**, which is funded via Interagency Contract.

**Funding for the Office of the First Lady is \$0.5 million**, or 6.7 percent of the communications program area.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Appropriations to fund the Office of the Governor for the 2022–23 biennium decreased by \$11.5 million, or 32.8 percent from the 2020–21 biennium. The decrease is related primarily to unexpended balances carried forward from the 2018–19 biennium into the 2020–21 biennium and expended by the agency.

**PROGRAMS**

The agency carries out responsibilities through four major program areas: (1) budget and policy; (2) communications; (3) appointments; and (4) mansion maintenance.

**BUDGET AND POLICY**

The first major program area encompasses the Office of the Governor’s Budget and Policy Division, which assists the Governor in formulating and implementing state policy by coordinating with state agencies, the Legislature, and various constituents and stakeholder groups. The Budget and Policy Division provides fiscal information and analysis in support of the Governor’s statutory role as the state’s chief budget officer. It advises the Governor on the state’s fiscal condition, recommends fiscal policies to the Governor, and prepares the Governor’s state biennial budget for distribution to the Legislature. Other budget activities include approving agency requests to enter into contracts with consultants and reviewing agency budget submissions and other submissions required by law. In conjunction with the Legislative Budget Board, the Budget and Policy Division coordinates the state agency strategic planning process, issues budget instructions to state agencies, and conducts hearings regarding agency budget requests. Funding for the budget and policy program area is \$12.5 million, or 53.0 percent of appropriations, and 59.0 full-time-equivalent positions for the 2022–23 biennium.

**COMMUNICATIONS**

Communications is the second major program area of the Office of the Governor. The Communications Office manages media relations for the Governor and the First Lady by providing information to media. The program prepares news releases and speeches for the Governor and handles media calls and requests for interviews. It also receives calls from individuals with concerns or issues about state government through its information and referral hotline, refers callers to appropriate agencies for assistance, and reports constituents’ concerns to the Governor. In addition, the program makes travel arrangements and prepares detailed

schedules for the Governor. Funding for the communications program area is \$6.7 million, or 28.3 percent of appropriations for the 2022–23 biennium.

**APPOINTMENTS**

The third major program area in the Office of the Governor helps the Governor recruit, screen, select, and prepare individuals that are appointed to the state’s boards, commissions, and advisory committees. When required, the Appointments Office prepares appointees for confirmation by the Texas Senate. This program also supports the processes of filling vacancies in statewide elected and judicial district offices. During a four-year term, the Governor makes approximately 300 appointments on average. Funding for the appointments program area is \$2.9 million, or 12.2 percent of appropriations for the 2022–23 biennium.

**MANSION MAINTENANCE**

Mansion maintenance is the fourth major program area of the Office of the Governor. The Governor’s mansion has served as the official residence of Texas governors and their families since 1856. The mansion staff provides for the standard operations of the mansion. The mansion staff also plans, coordinates, and executes special events. Funding for the mansion maintenance program area is \$1.5 million, or 6.5 percent of appropriations for the 2022–23 biennium.



## TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR

**PURPOSE:** The Trusteed Programs within the Office of the Governor are statewide programs that the chief executive’s office directly oversees. Programs include the Disaster Assistance Grants for state agencies and local governments, the Film and Music Marketing Program, the Criminal Justice Division, the Economic Development and Tourism Division, the Texas Military Preparedness Commission, the Homeland Security Division, the Committee on People with Disabilities, the Commission for Women, and the Office of State–Federal Relations.

**ESTABLISHED:** 1845

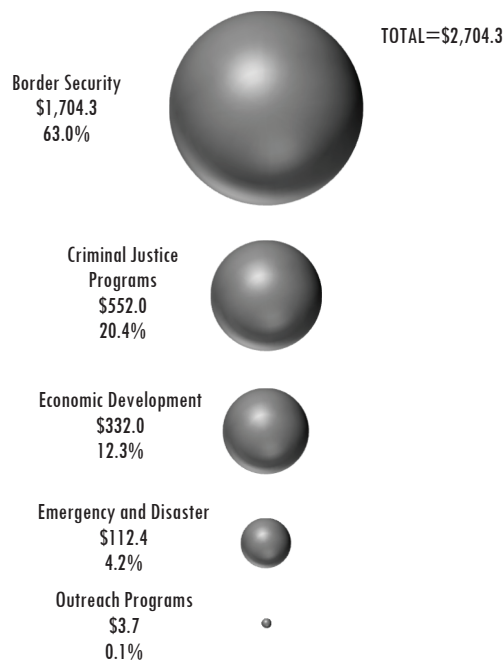
**AUTHORIZING STATUTE:** The Texas Constitution, Article IV

**GOVERNANCE:** Governor, statewide elected official

**FIGURE 101**  
**TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$494.9	\$1,839.0	\$1,344.1	271.6%	<table border="1"> <tr> <td>2022</td> <td>191.3</td> </tr> <tr> <td>2023</td> <td>191.3</td> </tr> </table>	2022	191.3	2023	191.3
2022	191.3								
2023	191.3								
General Revenue–Dedicated Funds	\$377.7	\$216.5	(\$161.2)	(42.7%)					
Federal Funds	\$686.4	\$639.0	(\$47.4)	(6.9%)					
Other Funds	\$235.8	\$9.8	(\$226.0)	(95.8%)					
<b>Total, All Methods of Finance</b>	<b>\$1,794.8</b>	<b>\$2,704.3</b>	<b>\$909.6</b>	<b>50.7%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Funding for **disaster assistance grants** totals **\$110.0 million in General Revenue Funds** for the 2022–23 biennium.

**Economic development funding** includes **\$100.0 million in previously unexpended General Revenue–Dedicated Funds** for the Texas Enterprise Fund.

Total appropriations provided by the Eighty-seventh Legislature, 2021, all sessions, include **\$1.6 billion in General Revenue Funds for border security**, of which **\$1.0 billion** is appropriated for **border wall construction**.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Funding for the Trusteed Programs within the Office of the Governor for the 2022–23 biennium increased by \$909.6 million, or 50.7 percent from the 2020–21 biennium. This increase is primarily due to funding increase of \$1,454.1 million for the 2022–23 biennium for border security and anti-gang programs, offset by reductions of \$225.7 million from expenditure of balances in the 2020–21 biennium and supplemental funding in fiscal year 2021 of \$50.0 million for border security disaster grants. In addition, and not included in amounts shown in **Figure 101**, Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, appropriates federal stimulus funds related to COVID-19 pandemic response in amounts of \$180.0 million for tourism, travel, and hospitality recovery grants, \$1.2 million for information technology case management system improvements for children’s advocacy centers, and \$160.0 million for Victims of Crime Act grants.

## PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) economic development; (2) criminal justice activities; (3) border security; (4) emergency, deficiency, and disaster grants; and (5) other outreach programs.

### ECONOMIC DEVELOPMENT

Funding for economic development and jobs generation is represented in the agency’s bill pattern in Strategy C.1.1 Create Jobs and Promote Texas, which combines the funding associated with the previous strategies for Economic Development, Tourism, Military Preparedness, the Texas Enterprise Fund, the University Research Initiative, and Film and Music Marketing. Funding for various economic development programs totals \$332.0 million in All Funds for the 2022–23 biennium.

The Texas Tourism program markets Texas as a travel and tourist destination in out-of-state domestic and international markets. The program promotes the state as a premier travel, meetings, and convention destination, utilizing advertising in digital media, national cable television, consumer and trade publications, radio, and the TravelTex.com website. In addition, the program analyzes trends in domestic and international travel and the effectiveness of travel literature, the influence of Texas advertising, and consumers’ images of Texas. Appropriations for the Texas Tourism program for the 2022–23 biennium total \$70.9 million in All Funds.

Established in fiscal year 2003, the Texas Military Preparedness Commission (TMPC) consists of 13 members

appointed by the Governor. The core mission of TMPC is to preserve, protect, expand, and attract new military missions, assets, and installations in the state. Additionally, TMPC encourages defense-related businesses to expand or relocate to Texas. TMPC administers the Defense Economic Adjustment Assistance Grant Program (DEAAG) and the Military Value Revolving Loan Program (Revolving Loan Fund). The DEAAG program is appropriated \$30.0 million for the 2022–23 biennium for grants to assist defense communities affected or potentially affected by U.S. Department of Defense plans or decisions.

The Texas Enterprise Fund (TEF) was established by the Seventy-eighth Legislature, Regular Session, 2003. The fund, which is administered statutorily by the Governor, promotes economic, infrastructure, and community development; job training programs; and business incentives. Since the beginning of fiscal year 2004, approximately \$681.2 million in TEF grants has been awarded to 186 entities. Appropriations for TEF for the 2022–23 biennium include \$100.0 million in previously unexpended General Revenue–Dedicated Funds.

The Eighty-fourth Legislature, 2015, established the Governor’s University Research Initiative (GURI) to help Texas universities recruit top-tier faculty, including Nobel Laureates and members of National Academies or other honorific societies. Priority of awards is given to applications from academic institutions that involve the recruitment of distinguished researchers in the fields of science, technology, engineering, mathematics, and medicine. GURI is a matching grant program, and grants are given to Texas institutions of higher education on an ongoing basis. The Eighty-seventh Legislature, 2021, established the Governor’s University Research Initiative Advisory Board to assist in the review of applications for grant funding from the program. Appropriations for GURI for the 2022–23 biennium include \$40.0 million in previously unexpended General Revenue–Dedicated Funds.

The Texas Film Commission (TFC) provides information regarding filming locations; the state’s industry infrastructure such as crews, talent, and vendors; and state laws and sales tax exemptions for filmmakers seeking to produce movies or television shows in the state. TFC also manages the Moving Image Industry Incentive Program, which offers grants to production companies that help generate jobs by producing films, television programs, video games, instructional and educational videos, or commercials in Texas. Appropriations for the 2022–23 biennium include \$45.0 million in General Revenue Funds for the Moving Image Industry Incentive

**FIGURE 102**  
**OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION, TOP FIVE FUNDING PROGRAMS AND GRANTS**  
**2022–23 BIENNIUM**

PROGRAM OR FUND	ESTIMATED FUNDING (IN MILLIONS)
<b>Victims of Crime Act Formula Grant Program</b> Federal Funds. Eligible Uses: Provide services and assistance directly to victims of crime.	\$369.4
<b>Anti-Gang Programs</b> General Revenue Funds. Eligible Uses: Provide grant funding to support anti-gang activities.	\$194.8
<b>State Criminal Justice Planning Fund</b> General Revenue Funds and General Revenue–Dedicated Funds. Eligible Uses: Support programs intended to decrease crime and improve the criminal or juvenile justice systems.	\$49.0
<b>Edward Byrne Justice Assistance Grants</b> Federal Funds. Eligible Uses: Programs that prevent and control crime and make improvements to the criminal justice system.	\$27.0
<b>Violence Against Women Act Fund</b> Federal Funds. Eligible Uses: Develop and strengthen effective criminal justice strategies and victim services programs to combat violent crimes against women.	\$22.4

SOURCE: Legislative Budget Board.

Program. TFC works statewide with local communities to realize and promote regional assets for filmmaking activity through the Film Friendly Texas certification program. Beginning in fiscal year 2016, TFC has helped local communities realize continued economic benefit after films are produced in their regions through the Texas Film Tourism program.

The Texas Music Office (TMO) helps promote the state's music industry by providing referrals to Texas music businesses, performers, and events to attract new business to the state and to foster the economic development of in-state music businesses and musicians. The office publishes the annual Texas Music Industry Directory online, which contains more than 15,000 Texas music businesses cross-referenced by multiple music categories. TMO also maintains the Texas Music International Tip Sheet, a referral network consisting of international music businesses interested in Texas music and music businesses. TMO administers a specialty license plate grant program and uses the grant program's proceeds to provide musical instruments and music lessons to students in low-income schools. Appropriations for the Texas Film and Music Marketing program for the 2022–23 biennium total \$50.0 million in All Funds.

The Spaceport Trust Fund program is an incentive used by the state to promote, retain, develop, and expand aerospace and aviation businesses in Texas. Fund proceeds are available to any spaceport development corporation that has secured a viable business entity that is capable of launching and landing

a reusable launch vehicle or spacecraft and intends to locate its facilities at the development corporation's planned spaceport in the state. Appropriations for the 2022–23 biennium include \$10.0 million in General Revenue Funds for the Spaceport Trust Fund.

### **CRIMINAL JUSTICE**

The Trusteed Programs' second major program area is criminal justice, which encompasses most of the programs administered by the Public Safety Office (PSO). The mission of the PSO is to establish and support programs that increase public safety, decrease crime, provide services to victims, and promote accountability, efficiency, and effectiveness within the state's criminal justice system. Eligible applicants for PSO grant funds include state agencies, regional councils of governments, cities, counties, independent school districts, institutions of higher education, and nonprofit organizations that are related to criminal justice. PSO serves as the State Administering Agency for various formula grants from the federal government. PSO grants are used to fund efforts to enhance public safety by prosecuting criminal offenders, decrease domestic violence, prevent sexual assault and human trafficking, decrease gang activity, increase services for victims of crime, decrease drug and juvenile crime, support border security efforts, support safe schools, assist victims, and increase the safety and effectiveness of law enforcement personnel. Criminal justice grants are monitored and evaluated by PSO and the Office of the Governor's compliance staff. **Figure 102** shows the top five state and

federal grant and program funding amounts estimated to be available for the 2022–23 biennium, and a brief summary of eligible uses for each funding source. Appropriations for criminal justice activities, including grants and division operations, for the 2022–23 biennium total \$745.7 million in All Funds, including \$245.8 million in General Revenue Funds and General Revenue–Dedicated Funds and \$433.3 million in Federal Funds.

### **BORDER SECURITY**

The Eighty-seventh Legislature, 2021, appropriated funds to the Trusteed Programs within the Office of the Governor for border security activities, the third major program area. This includes several different grant programs facilitated through the PSO that are targeted toward various government entities to assist in border security activities. The Border Security and Border Prosecutions programs provide grant funding to support border security initiatives, including grants to local law enforcement agencies to help in the prosecution of crimes along the border and installation and maintenance of border cameras. Border security programs also include Anti-gang Programs, which support regional, multidisciplinary approaches to combat gang violence through the coordination of gang prevention, intervention, and suppression activities across the state.

House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, provides funding to the Trusteed Programs for additional border security activities. These include collaborating with other state agencies to construct permanent and nonpermanent barriers along the U.S.–Mexico border and developing new border processing centers. The legislation also provides additional grant funding for border security operations.

Total funding for the border security program area for the 2022–23 biennium is \$1,704.3 million in All Funds. Additionally, \$50.0 million in General Revenue Funds were appropriated in fiscal year 2021 for the border surge, as part of House Bill 2, Eighty-seventh Legislature, Regular Session, 2021. Increases in funding for the 2022–23 biennium are related primarily to the following items: \$1,000.0 million for border wall construction; \$100.0 million for border security operation grants to local government entities; \$170.3 million for the development of new border processing centers; \$3.8 million for border prosecutions; and \$180.0 million to expand Anti-gang Programs, part of which is related to border security activities.

### **EMERGENCY AND DISASTER FUNDS**

The fourth major program area is emergency, deficiency, and disaster funding. The Texas Government Code, Section 403.075, authorizes the Governor to fund and address certain fiscal problems of the state without calling a special legislative session or using budget execution authority. The emergency deficiency grants program provides assistance to state agencies with insufficient funds to operate or to meet the needs of unforeseen circumstances. The Governor also may provide disaster assistance grants to local and state governments to respond to unforeseen disasters. According to the Texas Government Code, Section 418.073, disaster contingency funds are available to state and local agencies only after they have spent funds regularly appropriated to them for the purpose of disaster response. The Governor has the authority to consider approval of disaster assistance grants for agencies that have insufficient funds to operate or meet unanticipated situations. Examples of disaster funding provided to state and local entities include grants to fight and assist with recovery related to severe floods and wildfires; hurricane recovery efforts along the Gulf Coast; evacuation assistance for individuals that are forced out of dangerous or unsafe areas; and rebuilding of infrastructure, such as roads and public buildings after a disaster event. The Eighty-seventh Legislature, 2021, appropriated \$1.4 million in General Revenue Funds for Emergency and Deficiency Grants and \$110.0 million in General Revenue Funds for Disaster Assistance Grants.

### **OUTREACH PROGRAMS**

The Trusteed Programs' fifth major area, outreach, contains three programs: the Office of State–Federal Relations, the Governor's Committee on People with Disabilities, and the Governor's Commission for Women.

The Office of State–Federal Relations (OSFR) acts as primary liaison to the federal government for the Governor, the Legislature, and state agencies. The mission of OSFR is to advance state policy by promoting communications and building relationships between the state and federal governments. Appropriations for OSFR for the 2022–23 biennium total \$1.8 million in All Funds.

The Governor's Committee on People with Disabilities (GCPD) was established by the Seventy-second Legislature, Regular Session, 1991, and is guided by statutory mandates in the Texas Human Resources Code, Chapter 115. GCPD makes recommendations to the Governor and the Legislature regarding disability issues; promotes compliance with

disability-related laws; promotes a network of local committees doing similar work; recognizes employers for hiring and retaining employees with disabilities; and recognizes media professionals and students for positively depicting Texans with disabilities. GCPD also serves as the state's liaison agency with the federal President's Committee on Employment of Persons with Disabilities and other entities involved in activities or concerns affecting people with disabilities. Appropriations for GCPD for the 2022–23 biennium total \$1.5 million in General Revenue Funds.

The Governor's Commission for Women (GCW) promotes and advances the status of women through its research and advocacy activities, education initiatives, referral services, recognition of outstanding Texas women, and professional training for state employees. Among GCW's primary missions during the 2022–23 biennium is to help make Texas the national leader in women-owned businesses; to help women veterans of the armed services transition into the Texas workforce; and to encourage young women to study science, technology, engineering, and mathematics. GCW has 11 commissioners, who are appointed by the Governor to serve two-year terms. Appropriations for GCW for the 2022–23 biennium total \$0.4 million in General Revenue Funds.

## **SIGNIFICANT LEGISLATION**

### **House Bill 3271 – Micro-Business Recovery Program.**

The legislation establishes the Micro-Business Capital Access Program to facilitate capital access for micro-businesses that suffer economic injury from natural disasters. The legislation places administration of the program under a Community Development Financial Institution that is financed through zero-interest loans provided by the Texas Economic Development Bank (TEDB) in the Trusteed Programs.

### **Senate Bill 609 – Texas Music Incubator Rebate Program.**

The legislation establishes the Texas Music Incubator Program, administered by the Trusteed Programs, to authorize eligible music venues and eligible music festival promoters to apply for a rebate of the Mixed Beverage Gross Receipts Tax and sales taxes paid on the sale of alcoholic beverages in the preceding fiscal year, up to a maximum of \$100,000.

**Senate Bill 678 – Small Business Disaster Recovery Loan Program.** The legislation establishes the Small Business Disaster Recovery Loan Program and authorizes TEDB to make loans to small businesses affected by a natural disaster declared by the Governor.

## HISTORICAL COMMISSION

**PURPOSE:** To protect and preserve the state’s historic and prehistoric resources for the use, education, economic benefit, and enjoyment of present and future generations.

**ESTABLISHED:** 1953

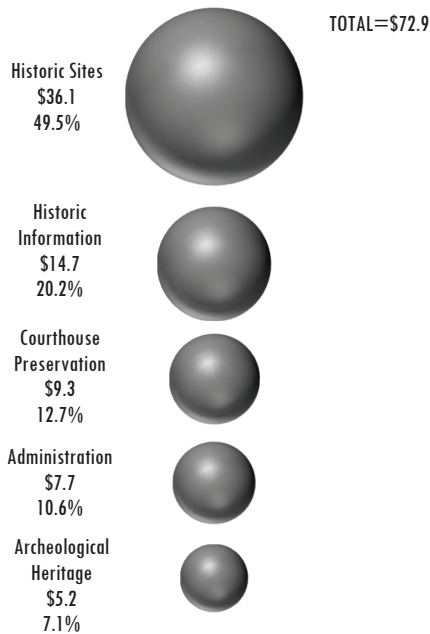
**AUTHORIZING STATUTE:** The Texas Government Code, Chapter 442

**GOVERNANCE:** Commission—nine members appointed by the Governor, with the advice and consent of the Senate

**FIGURE 103**  
**HISTORICAL COMMISSION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$58.7	\$65.1	\$6.4	10.9%	<b>2022</b> 299.5  <b>2023</b> 299.5
General Revenue–Dedicated Funds	\$1.6	\$1.9	\$0.2	15.2%	
Federal Funds	\$12.6	\$3.8	(\$8.8)	(70.0%)	
Other Funds	\$68.4	\$2.2	(\$66.2)	(96.8%)	
<b>Total, All Methods of Finance</b>	<b>\$141.4</b>	<b>\$72.9</b>	<b>(\$68.4)</b>	<b>(48.4%)</b>	

**AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)**



**SIGNIFICANT DEVELOPMENTS**

Supplemental appropriations for fiscal year 2021 include **\$5.5 million** for capital projects at the **National Museum of the Pacific War**.

**The Texas Holocaust, Genocide, and Antisemitism Advisory Commission** is established as a successor to the Texas Holocaust and Genocide Commission, pursuant to House Bill 3257, Eighty-seventh Legislature, Regular Session, 2021.

Supplemental appropriations for fiscal year 2021 provide **\$25.0 million in Other Funds from the Economic Stabilization Fund** for the **courthouse grant program**. Additionally, **\$8.1 million in General Revenue Funds** is provided for these grants.

Total funding from the **Sporting Goods Sales Tax** includes **\$28.3 million** for the Historic Sites program area. This amount represents the statutory allocation of 7.0 percent of the revenues to the agency.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Funding for the Texas Historical Commission (THC) includes a decrease of \$68.4 million, or 48.4 percent, from funding in the 2020–21 biennium. This decrease is primarily a result of decreases in onetime funding of \$12.1 million in General Revenue Funds from capital projects and grants in the 2020–21 biennium, that was provided by the Eighty-sixth Legislature, 2019. The decrease also represents supplemental funding for fiscal year 2021, primarily for historic sites capital projects and the Texas Historic Courthouse Preservation Program, which is not available for fiscal years 2022 and 2023.

In addition, the agency received funding increases for various programs and projects for the 2022–23 biennium. Among the largest funding items are increases related to new and existing capital budget projects, including \$8.1 million provided in General Revenue Funds for specific county courthouse grants. Funding for a visitor center project at the Caddo Mounds Historic Site provides \$0.4 million in General Revenue Funds. An additional \$0.5 million is provided in General Revenue Funds for fiscal year 2022 to purchase land adjacent to the Mission Socorro site. Various funding increases were provided for the historic sites operations including an increase of \$3.0 million for the Washington-on-the-Brazos historic site; \$2.1 million for additional staffing and operations at various sites; and \$5.1 million in Sporting Goods Sales Tax revenue.

In addition, and not included in amounts shown in **Figure 103**, Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, appropriates \$20.0 million in federal stimulus funds related to the COVID-19 pandemic for the capital plan project for the Washington-on-the-Brazos state historic site.

## PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) overseeing the agency's 28 historic attractions throughout the state and the Star of the Republic Museum; (2) providing grants and technical assistance through the Texas Historic Courthouse Preservation program; (3) promoting and providing outreach and assistance for the historic and cultural resources of Texas; (4) identifying, protecting, and preserving Texas' archaeological heritage; and (5) performing administrative duties in support of all agency functions.

## HISTORIC SITES

THC maintains and operates 28 historic sites throughout the state, as shown in **Figure 104**. Most sites were transferred from the Texas Parks and Wildlife Department as a result of various legislation from fiscal years 2005 to 2019, including forts, battlegrounds, homes, plantations, and other historically significant sites. THC also received responsibility for the Mission Dolores Historic Site from the City of San Augustine during fiscal year 2016 and received management of the French Legation site in Austin from the Texas Facilities Commission during fiscal year 2017. Additionally, management of the Star of the Republic Museum was transferred from Blinn College District in fiscal year 2019. Appropriations for the historic sites program area total \$36.1 million in All Funds.

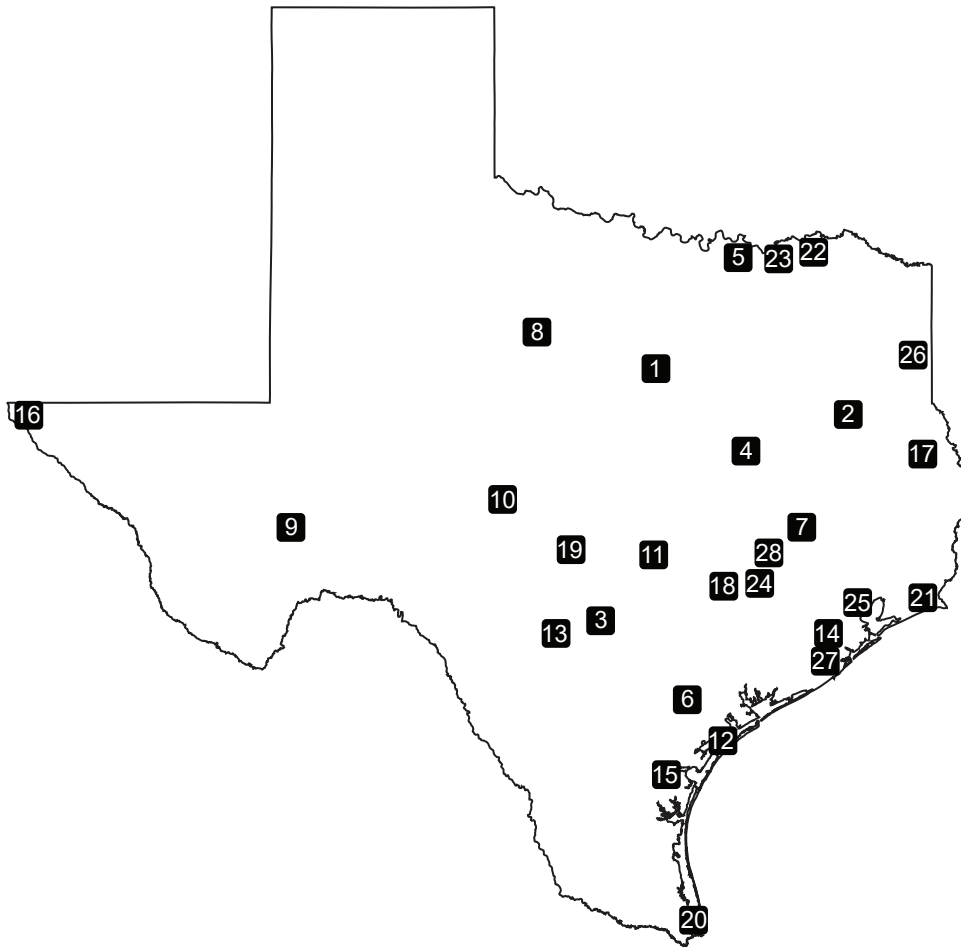
## COURTHOUSE PRESERVATION

After the National Trust for Historic Preservation added Texas courthouses to its list of America's 11 Most Endangered Historic Places during calendar year 1998, the Historic Courthouse Preservation Program was established during fiscal year 1999. Through this program, THC provides matching grants of up to \$6.0 million to eligible entities, including counties and cities, for the preservation of their courthouses. Since the program was initiated, \$317.2 million has been awarded to assist with the restoration and preservation of 102 courthouses, including 73 full restorations, of which 69 are complete. Courthouse Preservation grant awards from fiscal years 2000 to 2021 are shown in **Figure 105**. THC anticipates awarding approximately 18 to 19 Courthouse Preservation grants during the 2022–23 biennium, shown in **Figure 106**, with funding received through fiscal year 2021 supplemental funding from House Bill 2, Eighty-seventh Legislature, Regular Session, 2021. Funding for the program for the 2022–23 biennium totals \$9.3 million.

## HISTORIC INFORMATION

Acting in partnership with communities and regions throughout Texas, the agency works to stimulate tourism and economic development. Through the Main Street Program, THC helps Texas cities revitalize their historic downtowns and commercial districts. Each year, the Main Street Interagency Council, composed of staff from THC, Legislative Budget Board, Texas Department of Agriculture's Office of Rural Affairs, and Office of the Governor, may recommend up to five cities to receive services that include onsite evaluations by architects and

**FIGURE 104**  
**TEXAS HISTORICAL COMMISSION HISTORIC SITES, 2022–23 BIENNIUM**

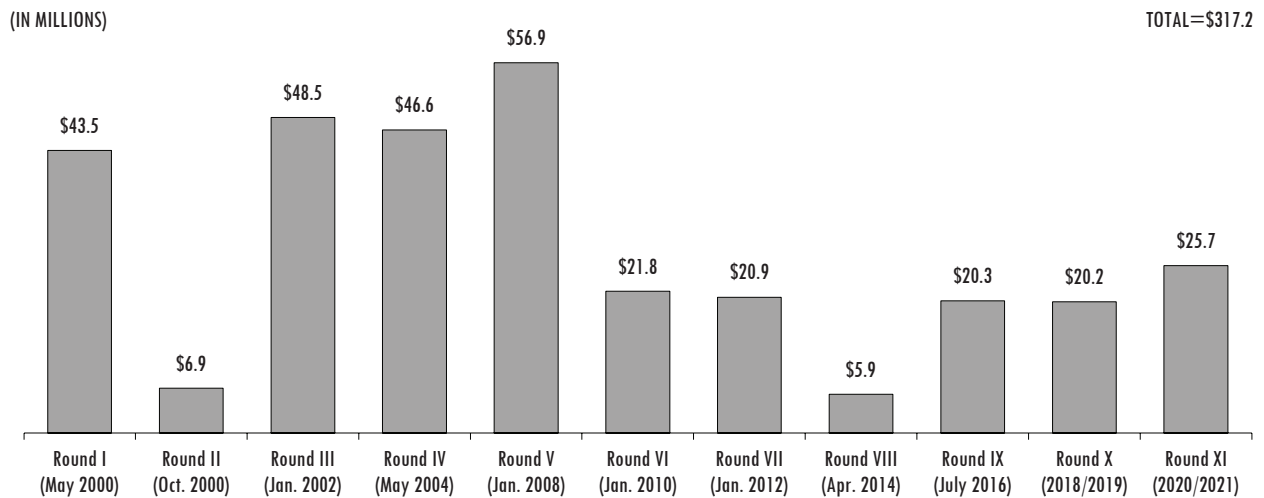


1 Acton State Historic Site, Acton, Hood County	15 Lipantitlan, Sandia, Nueces County
2 Caddo Mounds, Alton, Cherokee County	16 Magoffin Home, El Paso, El Paso County
3 Casa Navarro, San Antonio, Bexar County	17 Mission Dolores, San Augustine, San Augustine County
4 Confederate Reunion Grounds, Mexia, Limestone County	18 Monument Hill and Kreische Brewery, La Grange, Fayette County
5 Eisenhower Birthplace, Denison, Grayson County	19 National Museum of the Pacific War, Fredericksburg, Gillespie County
6 Fannin Battleground, Goliad, Goliad County	20 Port Isabel Lighthouse, Port Isabel, Cameron County
7 Fanthorp Inn, Anderson, Grimes County	21 Sabine Pass Battleground, Sabine Pass, Jefferson County
8 Fort Griffin, Albany, Shackelford County	22 Sam Bell Maxey House, Paris, Lamar County
9 Fort Lancaster, Sheffield, Pecos County	23 Sam Rayburn House Museum, Bonham, Fannin County
10 Fort McKavett, Fort McKavett, Menard County	24 San Felipe de Austin State Historic Site, San Felipe, Austin County
11 French Legation, Austin, Travis County	25 San Jacinto Battleground, La Porte, Harris County
12 Fulton Mansion, Fulton, Aransas County	26 Starr Family Home, Marshall, Harrison County
13 Landmark Inn, Castroville, Medina County	27 Varner-Hogg Plantation, West Columbia, Brazoria County
14 Levi Jordan, Brazoria County	28 Washington-on-the-Brazos, Washington, Washington County

SOURCE: Texas Historical Commission.



**FIGURE 105**  
**COURTHOUSE PRESERVATION GRANT AWARDS, FISCAL YEARS 2000 TO 2021**



SOURCE: Texas Historical Commission.

**FIGURE 106**  
**HISTORIC PRESERVATION GRANTS, FISCAL YEARS 2018 TO 2023**

GRANT OR PROGRAM	2018	2019	2020	2021	2022	2023
<b>Texas Preservation Trust Fund Grants</b>						
Total Amount	\$227,384	\$264,394	\$374,161	\$0	\$248,625	\$248,625
Grants Awarded	12	10	15	0	11	11
<b>Certified Local Government Grants</b>						
Total Amount	\$161,012	\$148,120	\$156,670	\$146,907	\$186,710	\$165,727
Grants Awarded	19	18	8	9	14	10
<b>Texas Historic Courthouse Preservation Program</b>						
Total Amount (in millions)	\$19.0	\$1.2	\$22.2	\$4.2	\$29.7	\$1.9
Grants Awarded	13	25	12	2	14	4–5
<b>Heritage Tourism Grants</b>						
Total Amount	\$690,000	\$690,000	\$747,000	\$815,000	\$815,000	\$815,000
Grants Awarded	10	10	10	10	10	10

NOTE: Amounts for fiscal years 2022 and 2023 are budgeted.  
SOURCE: Texas Historical Commission.

other experts in historic preservation, marketing programs for heritage tourism, and training for Main Street managers and board members. Across Texas, 90 cities are participating in the Main Street program.

Through its Heritage Tourism program, the agency works with communities to identify historic resources and develop heritage corridors that stimulate tourism within an area of the state. Although originally developed to stimulate tourism around 10 scenic driving trails developed by the Office of the Governor and the Texas Department of Transportation, the

agency expanded the Heritage Trails program to include other communities. The agency provides networking, statewide heritage travel promotion, and professional support training to the 10 heritage regions. THC also financially supports regional non-profit heritage tourism boards.

THC assists local communities in historic preservation by providing leadership and training to county historical commissions, heritage organizations, and museums in Texas' 254 counties. Through the state's historical marker program, the agency reviews requests for three types of

markers: (1) Recorded Texas Historic Landmarks; (2) educational subject markers; and (3) Historic Texas Cemetery markers. In coordination with the National Park Service, THC also reviews nominations for the National Register of Historic Places.

In addition, the agency offers financial assistance for preservation activities through several grant programs. In accordance with the Certified Local Government Program, at least 10.0 percent of Federal Historic Preservation Funds that the agency receives must be used for matching grants to communities for the development of preservation programs and planning. Another matching-grant program, the Preservation Trust Fund Grant Program, provides for the historic preservation of architecture and archeological properties from the General Revenue–Dedicated Account No. 664, Texas Preservation Trust Fund.

**Figure 106** shows the number of grantees and amounts awarded for each of THC’s historic preservation grant programs. Appropriations for the historic information program area total \$14.7 million.

#### **ARCHEOLOGICAL HERITAGE**

The agency’s Archeology Division performs review and advisory activities to identify, protect, and preserve Texas’ archeological heritage. In accordance with the National Historic Preservation Act of 1966 and the Antiquities Code of Texas (the Texas Natural Resource Code, Title 9, Chapter 191), the division reviews public construction projects that may affect an archeological site. The Archeology Division also is responsible for designating State Antiquities Landmarks, formerly known as State Archeological Landmarks. THC archeologists provide assistance, primarily to private landowners, in identifying, recording, and preserving archeological sites throughout Texas. Agency archeologists also administer the Texas Archeological Stewardship Network, in which volunteer vocational archeologists assist in the preservation of archeological sites and artifacts. The Archeology Division also coordinates the annual observance of Texas Archeology Month.

THC is charged, pursuant to the Antiquities Code of Texas, with ensuring the proper care and management of archeological collections within the state’s public domain; these collections are referred to as state held-in-trust collections. Due to the vastness of such collections, the agency transfers stewardship of them to various curatorial facilities in Texas. The agency’s Curatorial Facility Certification Program ensures that these facilities meet

standards related to the care and management of state artifact collections, facilitates the housing of these artifacts in museums and repositories across the state, and maintains an inventory of the held-in-trust collections.

THC maintains the Texas Historic Sites Atlas website, which includes more than 300,000 historic and archeological site records documenting Texas history. Included in the website’s database is detailed information about Official Texas Historical Markers, the National Register of Historic Places, historic courthouses, museums, and cemeteries. The website was established to provide state and federal land-use planners with information regarding the location and condition of Texas’ cultural resources. It also provides the public and qualified users with detailed textual descriptions, historic photographs, and interactive maps of historic sites in Texas. Appropriations for the archeological heritage protection program area total \$5.2 million.

#### **ADMINISTRATION**

The agency administration program area supports the overall efficiency and effectiveness of THC operations. Appropriations for the central administration program area total \$7.7 million.

#### **SIGNIFICANT LEGISLATION**

**House Bill 3257 – Establishes the Texas Holocaust, Genocide, and Antisemitism Advisory Commission.** The legislation establishes a nine-member Texas Holocaust, Genocide, and Antisemitism Advisory Commission under the direction of THC to replace the Texas Holocaust and Genocide Commission. The legislation requires THC to adopt a budget, funding cycle, goals, and grant processes that shall be reported on along with THC activities. It also requires coordination with the Legislative Budget Board to propose goals, strategies, and performance measures for the advisory commission.

**Senate Bill 2008 – Authorization of fees from the San Jacinto Battleground State Historic Site.** The legislation requires THC to designate the San Jacinto Museum and Battlefield Association as the entity responsible for operating the San Jacinto Memorial Building and Tower, operating the museum, and providing financial support for the association’s responsibilities.

## DEPARTMENT OF INFORMATION RESOURCES

**PURPOSE:** To provide information technology (IT) services to state and local government entities, including consolidated data centers, telecommunication services, IT security services, statewide IT procurement, the statewide Texas.gov web portal, and technology planning and policy.

**ESTABLISHED:** 1989

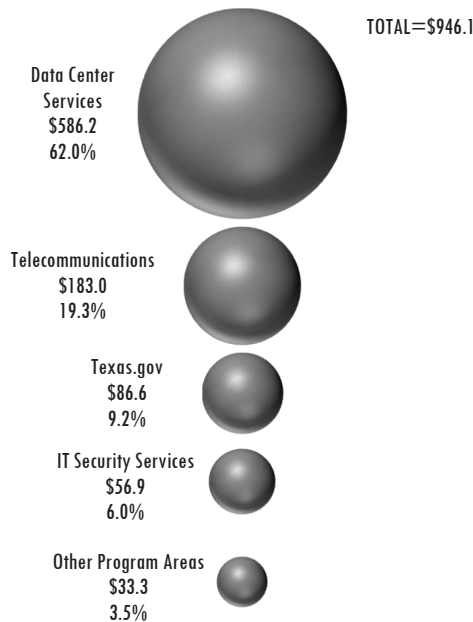
**AUTHORIZING STATUTE:** The Texas Government Code, §2054.004

**GOVERNANCE:** Board of Directors—seven voting members appointed by the Governor with the advice and consent of the Senate and three ex officio nonvoting members specified in the Texas Government Code, §2054.021(c)

**FIGURE 107**  
**DEPARTMENT OF INFORMATION RESOURCES BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$26.3	\$35.0	\$8.7	33.1%	<b>2022</b> 228.0  <b>2023</b> 228.0
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.6	\$0.8	\$0.2	30.1%	
Other Funds	\$891.3	\$910.3	\$19.0	2.1%	
<b>Total, All Methods of Finance</b>	<b>\$918.2</b>	<b>\$946.1</b>	<b>\$27.9</b>	<b>3.0%</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Data Center Services** appropriations increased by **\$6.2 million** for the estimated growth in usage of services by customer agencies and other entities.

**IT Security Services funding is increased by \$12.1 million** in All Funds to provide additional **security services**, including enhanced funding for **multifactor authentication, endpoint detection and response**, and establishment of **regional security operations centers**.

**Telecommunications program funding is increased by \$10.7 million**, primarily due to estimated increases in customer usage of voice, data, wireless, and Internet services. The increase is intended to address customer demand and provide increased bandwidth as more customers transition to online services, including mobile services.

In addition, the **Department of Information Resources** was appropriated **\$200.0 million** in Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, for the 2022–23 biennium in federal stimulus funds related to the COVID-19 pandemic for cybersecurity projects.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Appropriations to the Department of Information Resources (DIR) primarily provide payments to service providers of telecommunications and data center services for costs of services for which the agency directly bills customers (i.e., state agencies, institutions of higher education, and local entities) and to service providers for operation of the Texas.gov state website. Appropriations include \$845.6 million in All Funds for cost of services for the following programs:

- Telecommunications, including Capitol Complex Telephone System and Texas Agency Network – Funding provides \$183.3 million in Other Funds, including an increase of \$10.3 million for voice, data, wireless, and Internet services. The increase from the 2020–21 biennium is intended to address customer demand and provide increased bandwidth as more customers transition to online services, including mobile services;
- Data Center Services (DCS) – Funding provides \$579.4 million, which represents an increase of \$6.0 million based on anticipated increased usage of services by customer agencies. Costs represent amounts to maintain service levels and projects initiated during the 2020–21 biennium, including fully supported cloud servers, data systems upgrades, website upgrades, data management, and data governance; and
- Texas.gov – Funding provides \$82.9 million, including an increase of \$1.5 million from fiscal year 2020–21 levels, in estimated payments to service providers for application development, application maintenance, and customer support for the website.

Funding also provides \$56.9 million, an increase of \$12.1 million in All Funds, to provide cybersecurity services for agencies and institutions of higher education. Additional funding for services includes \$6.5 million for endpoint detection and response, \$4.0 million in increased funding for multifactor authentication, and \$13.8 million for regional security operations centers. House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, also provides supplemental funding in fiscal year 2021 for various items, including additional funding of \$15.7 million for endpoint detection and response.

In addition, and not included in amounts shown in **Figure 107**, the Department of Information Resources was appropriated \$200.0 million in federal stimulus funds related to the COVID-19 pandemic in Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, for the 2022–23 biennium for cybersecurity projects.

DIR is funded primarily through fees generated through the telecommunications, Cooperative Contracts, DCS, and Texas.gov programs. The agency receives telecommunications and DCS revenues generated primarily from an administrative fee that DIR levies on services or goods that contracted vendors provide. For certain telecommunications services that DIR provides directly, the fee is included in service pricings. Texas.gov revenues are generated primarily through convenience or transaction fees for services offered through the website. The fees recover DIR's operational costs to oversee the four related programs and costs for statewide policy functions, IT security initiatives, and DIR's indirect administrative costs. **Figure 108** shows fees charged to customers of DIR's programs.

## PROGRAMS

DIR carries out its responsibilities through five major program areas: (1) data center services; (2) telecommunications; (3) Texas.gov; (4) information technology security services; and (5) other program areas.

### DATA CENTER SERVICES

DIR's consolidated Data Center Services (DCS) program provides IT services to multiple state agencies on a cost-sharing basis. With the goal of upgrading technology, increasing security, and leveraging economies of scale, the Seventy-ninth Legislature, Regular Session, 2005, authorized a program to merge the data centers of 27 state agencies into two consolidated data centers in Austin and San Angelo. Consolidated data center services primarily include mainframe, server, and bulk print and mail operations; standardization of security and disaster recovery plans and annual testing; and replacement of older technology, including a hardware and software refresh schedule.

Data center services are provided in accordance with three primary service provider contracts, which include contracts with: (1) Capgemini as the oversight and services integration vendor that coordinates services and provides service-level calculation and management, desk support, program management, business continuity, disaster recovery testing

**FIGURE 108**  
**DEPARTMENT OF INFORMATION RESOURCES COST-RECOVERY PROGRAMS AND FUNDING SOURCES, 2022–23 BIENNIUM**

PROGRAM	FEE RATES	OTHER FUNDS ACCOUNT
Telecommunications, including Capitol Complex Telephone System (CCTS) and Texas Agency Network (TEX-AN)	<p>For services that the Department of Information Resources (DIR) provides directly, such as CCTS and shared Internet services, fees are included in the prices. Fee levels for other telecommunication services are:</p> <ul style="list-style-type: none"> <li>• 12.0% for services billed by DIR;</li> <li>• 2.0% for wireless services and conferencing services that are billed directly by the vendor;</li> <li>• 4.0% for local services and other TEX-AN Next Generation services that are billed directly by the vendor; and</li> <li>• 0.5% for managed services that are billed directly by the vendor.</li> </ul> <p>Fee rates are not capped and are not applied to surcharges billed from telecommunication providers.</p>	Telecommunications Revolving Account (Appropriated Receipts and Interagency Contracts)
Cooperative Contracts	<p>Actual fees, which are included in the purchase price of information technology commodities and services, vary by contract:</p> <ul style="list-style-type: none"> <li>• average fee – 0.68%; and</li> <li>• maximum fee – 1.0%.</li> </ul> <p>Fee rates are capped at 2.0% in the Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium, Article I, DIR, Rider 3.</p>	Clearing Fund (Appropriated Receipts)
Data Center Services	<p>Fee is set at 2.95% of data center services costs billed by contracted service providers.</p> <p>The fee is uncapped. The agency must receive written approval from the Legislative Budget Board and Office of the Governor before increasing the fee, pursuant to the 2022–23 GAA, Article I, DIR, Rider 9.</p>	Statewide Technology Account (Appropriated Receipts and Interagency Contracts)
Texas.gov	<p>Actual fees vary by service and governmental entity. Fees per transaction typically include one of the following fees:</p> <ul style="list-style-type: none"> <li>• payment processing fees, which typically include both fixed-fee and variable-fee components: <ul style="list-style-type: none"> <li>◦ fixed fees range from \$0.25 to \$2.00 per transaction; and</li> <li>◦ variable fees range from 2.25% to 2.75% of the transaction cost;</li> </ul> </li> <li>• subscription fees range from \$2 to \$5 per transaction or 3.0% for facility licenses; and</li> <li>• other convenience fees ranging from \$0.02 to \$10 per transaction.</li> </ul> <p>Fees and charges are not capped, pursuant to the 2022–23 GAA, DIR, Rider 6.</p>	Statewide Network Applications Account (Appropriated Receipts and Interagency Contracts)

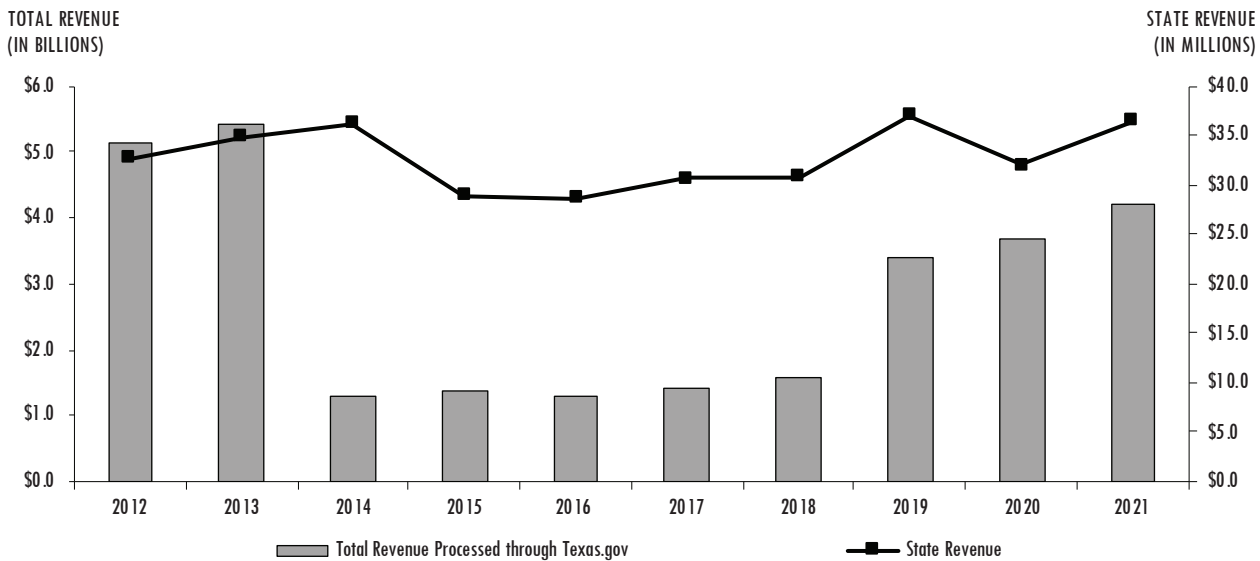
NOTE: Rates for fiscal year 2022 are estimated. These fees were approved by the DIR Board in August 2021.

SOURCE: Department of Information Resources.

and planning, financial management, and invoicing; (2) Atos for the delivery of infrastructure services for mainframe, servers, networks, and data center operations; and (3) Xerox for bulk printing and mail services. Additional contracts are in place with vendors to provide public cloud

services, security services, and application services. Agencies are billed for each specific service consumed, such as mainframe central processing unit hours or tape storage. Twenty-seven agencies are mandated to participate in the DCS program. Additionally, more than 70 organizations,

**FIGURE 109**  
**STATE REVENUE FROM THE TEXAS.GOV WEBSITE, FISCAL YEARS 2012 TO 2021**



SOURCE: Department of Information Resources.

including state agencies, institutions of higher education and units of local government, voluntarily utilize services offered through the program. Appropriations for the DCS program include \$586.2 million and provide for 27.3 full-time-equivalent (FTE) positions.

**TELECOMMUNICATIONS**

DIR’s telecommunications programs provide voice, data, video, and Internet services for the state through the Capitol Complex Telephone System (CCTS) and Texas Agency Network (TEX-AN). CCTS operations provide local telephone service for 42 state office buildings in the Capitol Complex and several satellite office buildings in Austin. CCTS services include installation of new telephones or telephone services, moving and removal of existing telephones, and voicemail installation and training. TEX-AN is the long-distance, voice, and data communication system for state government and offers enhanced Internet and videoconferencing capabilities. Through TEX-AN, the agency also offers telecommunication services to other political subdivisions such as cities, counties, councils of governments, public school districts, and public institutions of higher education, with the goal of providing significant cost savings and communications service options to meet such entities’ business needs. Funding for CCTS and TEX-AN totals \$183.0 million and provides 51.6 FTE positions.

**TEXAS.GOV**

The Texas.gov program provides contract oversight, performance monitoring, planning, policy development, and program management of the state’s Texas.gov website. Through Texas.gov, the public can access state agency and local government services and applications in multiple languages. Several agencies’ services are offered through Texas.gov, such as driver license renewal, vehicle registration, professional and occupational license renewals, vital records (i.e., birth, death, and marriage certificates), and utility bill payments. Revenue generated through Texas.gov consists primarily of transaction-based fees charged for services provided through the website. The fees support DIR’s administration of the program and payments to contracted vendors for application development and maintenance and customer support. The website also generates revenue for the General Revenue Fund; Texas.gov revenues that exceed DIR’s expenditures and allowable fund balances are deposited to the General Revenue Fund. **Figure 109** shows the state’s revenue in contrast with total revenues processed through Texas.gov from fiscal years 2012 to 2021. The decrease in total revenue beginning in fiscal year 2014 is due to the transfer of the Webfile tax filing system from the Texas.gov program to the Comptroller of Public Accounts (CPA) and the consequent removal of tax collections previously processed through

Texas.gov. Additionally, the decrease in state revenue share for fiscal year 2015 is due to the removal of the SmartBuy system from the Texas.gov program and transfer to the CPA. Appropriations for Texas.gov include \$86.6 million and provide for 9.4 FTE positions.

### **IT SECURITY SERVICES**

DIR provides several IT security services to state agencies and institutions of higher education and is responsible for the physical and logical security of the state's data systems and networks. DIR operates the Network Security Operations Center (NSOC) to provide computer network security services to state agencies. NSOC monitors, reports, analyzes, and provides coordinated responses to cyberthreats and attacks against the state network. NSOC also provides network testing services to identify and evaluate network and system vulnerabilities that are susceptible to cyberattack. DIR develops statewide IT security policies, procedures, standards, and guidelines for state agencies; monitors agencies' compliance with state security policies; recommends remedial actions for agencies out of compliance; and provides access to security research and advisory materials and to security training. Security assessments provided by DIR through a third-party vendor assess agencies' overall security postures and identify areas for improvement. DIR provides multifactor authentication services, which confirms users' identities by a combination of two of the following three factors: something the users know, something they have, or something they are. Services added in the 2022–23 biennium include endpoint detection and response and establishment of regional security operations centers. Endpoint detection and response provides enhanced monitoring and data collection and analysis from endpoint computing devices to improve alerting and response to potential threats. Regional security operations centers provide cybersecurity support and network security to regional offices or locations for state agencies and other entities that elect to participate in and receive services. Appropriations for the agency's IT security operations total \$56.9 million and provide 32.9 FTE positions.

### **OTHER PROGRAM AREAS**

DIR's administration and support programs include agencywide administrative and technology support, the statewide IT procurement Cooperative Contracts program, management of large enterprise contracts, technology innovation and modernization initiatives, and statewide technology planning and policy development.

The agency is responsible for the solicitation, negotiation, and management of the statewide IT procurement program known as Cooperative Contracts. The program's objective is to leverage the state's buying power to lower the cost and improve the quality of technology commodities and services to state agencies and political subdivisions. All governmental entities in Texas are eligible customers, including state agencies, universities, cities, counties, and public schools. The program streamlines the procurement process for customers by eliminating the need to issue individual solicitations. The program provides favorable prices for commodity items such as personal and laptop computers and related desktop software, hardware, and software maintenance; staffing services; disaster recovery planning; and other associated goods and services with high customer demand. According to DIR, the program provided approximately 3,500 eligible customers savings and cost avoidance of an estimated \$409.3 million during fiscal year 2021.

The Technology Planning and Policy program provides strategic policy, procedures, and direction to implement and manage technology in the state. The office manages one of the agency's core activities: development of the State Strategic Plan for Information Resources Management. Through the State Strategic Plan, DIR establishes a common direction for all state agencies and universities to implement technology, thus promoting coordination and eliminating redundancy. In conjunction with the State Strategic Plan, the agency develops the Biennial Report for Information Resources Management, which evaluates the state's progress in IT. Additionally, DIR provides leadership, guidance, and best practices to state agencies to promote modernization of agencies' IT infrastructure, software, and applications and develops shared services for agency use. Funding for the agency's administration and other programs total \$33.3 million and provide 106.8 FTE positions.

### **SIGNIFICANT LEGISLATION**

**House Bill 3130 – State agency contracts for internet application development.** The legislation requires agencies to notify DIR of an intent to bid with a third party for development of native mobile applications that duplicate a function of the state electronic portal.

**House Bill 4018 – Creation of the Technology Improvement and Modernization Fund.** The legislation creates the Joint Oversight Committee on Investment in Information Technology Improvement and Modernization

Projects and the Technology Improvement and Modernization Fund in the state Treasury outside of the General Revenue Fund. The fund consists of appropriations; money received from the federal government for the purposes of improving and modernizing state agency information resources; gifts, grants, and donations; and earned interest. The fund may be used to improve and modernize state agency information resources, including legacy system projects and cybersecurity projects; and may not be used to replace funds appropriated to a state agency for the purposes of operating and maintaining state agency information resources or reduce the amount of funds appropriated to a state agency for those purposes. DIR is appropriated \$200.0 million in federal stimulus funds related to the COVID-19 pandemic in Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, for the 2022–23 biennium. The funds are for deposit into the Technology Improvement and Modernization Fund for the purpose of cybersecurity projects approved for funding by the joint oversight committee.

**Senate Bill 475 – State agency and local government information security.** The legislation requires DIR to establish a state risk and authorization management program to provide a standardized approach for security assessment, authorization, and continuous monitoring of cloud computing services that process data of a state agency. The legislation requires DIR to establish a Texas volunteer incident response team to provide rapid response assistance to a participating entity during a cybersecurity event. DIR also is authorized to establish regional network security operations centers to assist in providing cybersecurity support and network security to regional offices or locations for state agencies and other eligible entities that elect to participate in and receive services through the center. The legislation also directs state agencies to consider using robotic process automation (chat bots that emulate human actions) and prohibits state agencies from collecting biometric identifiers without consent.

**Senate Bill 799 – Contracting procedures for governmental entities.** The legislation requires DIR to provide additional oversight services for all projects, valued at \$5.0 million or greater from agencies designated by the State Auditor’s Office as needing additional monitoring.



## LIBRARY AND ARCHIVES COMMISSION

**PURPOSE:** To safeguard significant state resources; provide information services to support research, education, and workforce readiness; help meet the reading needs of Texans and support literacy; promote the management of public records to ensure government accountability; and enhance the capacity for achievement of current and future generations.

**ESTABLISHED:** 1909

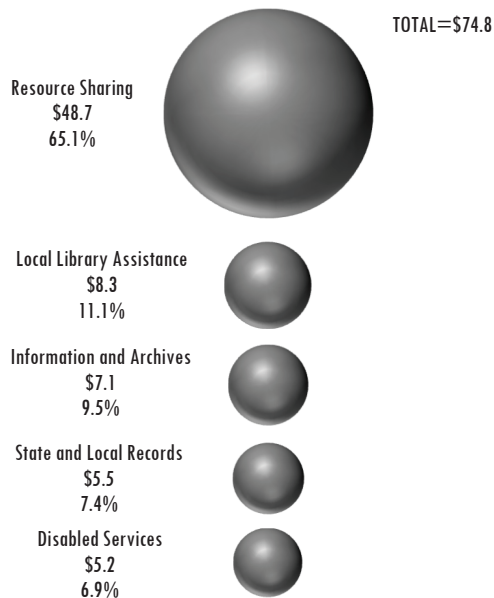
**AUTHORIZING STATUTE:** The Texas Government Code, Chapter 441

**GOVERNANCE:** Commission—seven members appointed by the Governor with the advice and consent of the Senate

**FIGURE 110**  
**LIBRARY AND ARCHIVES COMMISSION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$33.5	\$33.6	\$0.1	0.2%	<b>2022</b> 175.5  <b>2023</b> 175.5
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$24.3	\$22.4	(\$2.0)	(8.1%)	
Other Funds	\$16.9	\$18.9	\$1.9	11.4%	
<b>Total, All Methods of Finance</b>	<b>\$74.8</b>	<b>\$74.8</b>	<b>\$0.0</b>	<b>0.0%</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The agency was appropriated **\$3.8 million** in General Revenue Funds to provide **enhanced services to libraries statewide**, including increasing workforce tools, equipping libraries with Wi-Fi hot spots and devices to increase access to online resources, enhancing TexShare services, and access to Texas archives.

The agency offered records storage services to **78 client entities**, including **75 state agencies** and **three local governments**.

A total of **689 libraries** participate in the TexShare program administered by the agency, which most notably provides access to online database resources, including health or business information, academic journals, popular magazines, genealogy, and job and career development materials.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Overall funding for the 2022–23 biennium for the Texas State Library and Archives Commission (TSLAC) is consistent with funding from the 2020–21 biennium. The agency received an additional \$3.8 million in General Revenue Funds for enhanced library and archival services, which is offset by a decrease of \$3.7 million in onetime funding items from the 2020–21 biennium. In addition, an increase of \$1.9 million in Other Funds is related primarily to unexpended balances of Appropriated Receipts and Interagency Contracts carried forward from the previous biennium for library and state and local records services.

**PROGRAMS**

TSLAC carries out its responsibilities through four major program areas: (1) delivery of services, including resource sharing, aid to local libraries, and disabled services; (2) access to government information and archives; (3) state and local records management; and (4) administration.

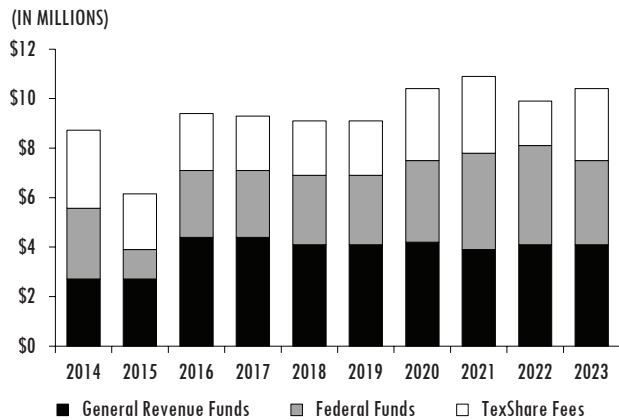
**DELIVERY OF SERVICES**

TSLAC offers resource-sharing services in three main program areas: TexShare, TexQuest, and the interlibrary loan program. TexShare is a statewide consortium of 689 academic, public, and clinical medicine libraries that, through access purchased by TSLAC, share print and electronic materials and other online resources and combine staff experience. During fiscal year 2022, 68 TexShare core databases with approximately 14 million core materials were available 24 hours a day to registered patrons of participating Texas libraries. **Figure 111** shows TexShare funding.

The agency negotiates cost-sharing electronic resources for primary and secondary public school libraries with memberships in the TexQuest program. These databases provide age-appropriate content and sources for reliable online information for learning and research at all grade levels. Total funding for TexShare and TexQuest is \$36.1 million for the 2022–23 biennium.

Through a series of grant programs, the statewide interlibrary loan program enables patrons of more than 550 member libraries to access materials that are not available locally. Funded in part by the federal Library Services and Technology Act and General Revenue Funds, this program is appropriated \$7.1 million for the 2022–23 biennium.

**FIGURE 111**  
**TEXSHARE DATABASE FUNDING LEVELS**  
**FISCAL YEARS 2014 TO 2023**



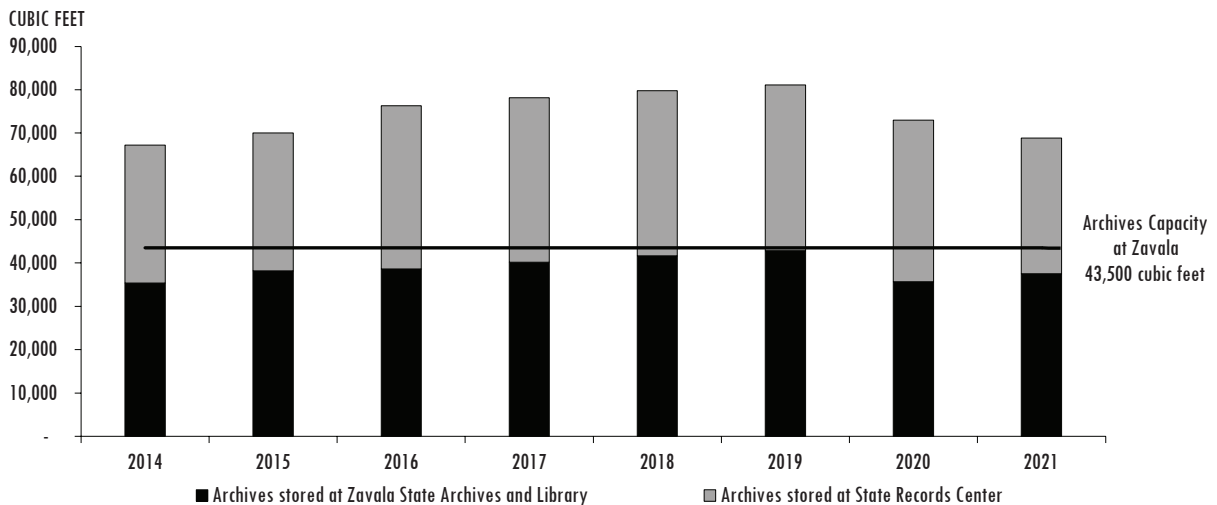
NOTE: Amounts for fiscal years 2022 and 2023 are estimated.  
SOURCE: Texas State Library and Archives Commission.

The Library Development and Networking Division at TSLAC provides shared resources to expand the capabilities of local public, academic, school, and special libraries. The agency provides statewide training and consultation related to library management, operations, and information technology in online and in-person formats. TSLAC also supports local libraries’ community-engagement efforts, such as summer reading programs and website assistance. The agency anticipates offering 650,000 support services to Texas libraries each year of the 2022–23 biennium.

In addition to consulting, training, and technical services, TSLAC awards grants that support literacy, education attainment, workforce development, technology, and other needs to local libraries. Funding of \$2.2 million is provided for competitive library grants.

The Talking Book Program (TBP) at TSLAC provides free library services to qualifying Texans that have visual, physical, or reading disabilities. In collaboration with other state programs, libraries, and the National Library Services for the Blind and Physically Handicapped—a program administered by the Library of Congress—TSLAC provides a service that delivers narrated, downloadable, digital audiobooks directly to blind, low-vision, and other users. During fiscal year 2021, TBP served approximately 9,700 patrons, with more than 17,000 patrons registered for the program. TBP circulated approximately 688,000 reading materials with more than 302,000 materials directly downloaded by patrons. The TBP is appropriated \$5.2 million for the 2022–23 biennium.

**FIGURE 112**  
**TEXAS STATE LIBRARY AND ARCHIVES COMMISSION ARCHIVES STORAGE GROWTH**  
**FISCAL YEARS 2014 TO 2021**



SOURCE: Texas State Library and Archives Commission.

#### ACCESS TO GOVERNMENT INFORMATION AND ARCHIVES

The Archives and Information Services Division (ARIS) of TSLAC identifies and collects official archival records of state government and subsequently makes them available, physically and digitally, to Texans. ARIS maintains and provides access to more than 2.0 million documents including federal, state, and other sources. During fiscal year 2021, the agency provided approximately 5.6 million services to individuals accessing archival or government information. The Texas Digital Archive, which manages, preserves, and facilitates access to electronic records including state agency records, now includes more than 81.4 terabytes of information across 14,418,835 files.

Currently, the agency has more than 81,000 cubic square feet of archives stored in state archives, housed in the Lorenzo de Zavala State Archives and Library and the State Records Center in Austin. Additional archival records of state or local historical significance are kept in Regional Historical Resource Depositories. These depositories, with the exception of the Sam Houston Regional Library and Research Center, are not funded or staffed by TSLAC, although the agency may offer some staff assistance. **Figure 112** shows archives storage growth since fiscal year 2014. The agency is appropriated \$7.1 million for archives and information services for the 2022–23 biennium.

#### MANAGING STATE AND LOCAL RECORDS

TSLAC assists state and local governments with training, resources, and consultation regarding records management. Through its State and Local Records Management Division, TSLAC sets the state minimum retention schedule, and reviews and approves retention schedules submitted by state and local governmental entities. The agency offers document imaging services and storage of noncurrent records at the State Records Center (SRC) on a cost-recovery basis. During fiscal year 2021, the agency offered records storage services to 78 client entities, including 75 state agencies and three local governments. The state and local records management program is appropriated \$5.5 million for the 2022–23 biennium.

The SRC has a capacity for approximately 383,000 cubic feet of storage, and the newly renovated space at the Promontory Point provides another 60,000 cubic feet for expansion. By strategically managing the number of boxes received monthly, and by working with customer entities to process records eligible for destruction, the agency reached 91.0 percent capacity at the SRC at the end of fiscal year 2021.

#### SIGNIFICANT LEGISLATION

**House Bill 4202 – Work colleges in the TexShare library consortium.** The legislation authorizes membership in the TexShare library consortium to federally designated work

colleges, which are four-year institutions that require students to participate in comprehensive work-learning-service programs.

**Senate Bill 1917 – Public outreach campaign for aging adults with visual impairments.** The legislation directs the Health and Human Services Commission, in collaboration with other appropriate state agencies, to conduct a public awareness and education outreach campaign providing information on resources available to aging adults who are blind or visually impaired.

## PENSION REVIEW BOARD

**PURPOSE:** To provide the necessary information and recommendations to ensure that Texas public retirement systems are financially sound, benefits are equitable, the systems are managed properly, and tax expenditures for employee benefits are kept to a minimum while providing for those employees; and to expand the knowledge and education of administrators, trustees, and members of Texas public pension funds.

**ESTABLISHED:** 1979

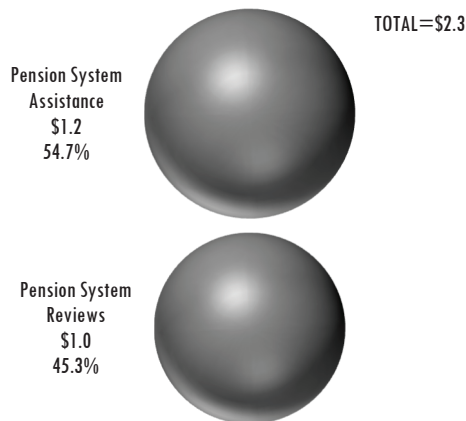
**AUTHORIZING STATUTE:** The Texas Government Code, §801.101

**GOVERNANCE:** Board—seven board members appointed by the Governor with advice and consent of the Senate

**FIGURE 113**  
**PENSION REVIEW BOARD BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$2.7	\$2.3	(\$0.5)	(17.7%)	<table border="1"> <tr> <td><b>2022</b></td> <td>13.0</td> </tr> <tr> <td><b>2023</b></td> <td>13.0</td> </tr> </table>	<b>2022</b>	13.0	<b>2023</b>	13.0
<b>2022</b>	13.0								
<b>2023</b>	13.0								
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					
<b>Total, All Methods of Finance</b>	<b>\$2.7</b>	<b>\$2.3</b>	<b>(\$0.5)</b>	<b>(17.7%)</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The agency has oversight responsibility for **347 public retirement systems in Texas**: 100 actuarially funded, defined benefit plans; 166 defined contribution plans; and 81 pay-as-you-go, volunteer firefighter plans.

The **99 defined benefit plans** in Texas had approximately **\$308.4 billion** in total net assets as of August 2021.

The Pension Review Board was appropriated **\$300,000** in supplemental appropriations in fiscal year 2021 for **migration of the agency's data from multiple servers to a cloud server** and the development of a **web-based interface** for the current internal databases.

The Pension Review Board was appropriated an additional **\$300,000** in supplemental appropriations in fiscal year 2021 for the development of a **self-service portal** to enable retirement systems to access a secure reporting portal to upload reports and view compliance status.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

The Pension Review Board (PRB) was appropriated \$2.3 million in All Funds for the 2022–23 biennium. This amount includes an increase of \$0.1 million for funding of a financial analyst position. Funding for the 2020–21 biennium includes \$600,000 in supplemental appropriations for fiscal year 2021. Of that \$600,000, a total of \$300,000 was appropriated for migration of the agency’s data from multiple servers to the cloud and the creation of a new web-based interface for the current internal databases, and \$300,000 was appropriated for the creation of a self-service portal to allow retirement systems to access a secure reporting portal to upload reports and view compliance status in real time.

## PROGRAMS

The agency carries out its responsibilities through two major program areas: (1) providing technical assistance and information to public pension systems; and (2) reviewing public retirement systems.

### PENSION SYSTEM ASSISTANCE

PRB’s primary program area is providing technical assistance and information to public pension systems. This area may include recommending policies, practices, and legislation to public retirement systems and appropriate governmental entities. The agency also is charged with preparing and providing an actuarial impact statement for a bill or resolution that proposes to change the amount or number of benefits or participation in benefits of a public retirement system, or that proposes to change a fund liability of a public retirement system. Additionally, PRB is directed to develop and administer an educational training program for trustees and system administrators of Texas public retirement systems. During the Eighty-seventh Legislature, 2021, PRB tracked 152 bills, including 92 pension bills, and provided 53 actuarial impact statements for proposed legislation. Appropriations for providing technical assistance and other information are \$1.2 million for the 2022–23 biennium.

### PENSION SYSTEM REVIEWS

The agency’s secondary program area is reviewing public retirement systems. This area includes ongoing reviews of public retirement systems by compiling and comparing information about benefits, creditable service, financing, and administration of systems; and by conducting intensive studies of potential or existing problems that threaten the actuarial soundness of or inhibit an equitable distribution of benefits in one or more public retirement systems. All public

retirement systems in Texas are required to register and file certain reports for review with PRB. The agency reviews public pension plans to detect plans in need of corrective action and monitors public plans with amortization periods of greater than 30.0 years. PRB has oversight responsibility for 347 public retirement systems in Texas: 100 actuarially funded, defined benefit plans; 166 defined contribution plans; and 81 pay-as-you-go, volunteer firefighter plans. As of August 2021, the defined benefit plans had approximately \$308.4 billion in total net assets. Appropriations for this review function are approximately \$1.0 million for the 2022–23 biennium.

## SIGNIFICANT LEGISLATION

**House Bill 3898, Regular Session – Funding of public retirement systems.** The legislation enhances funding policy and funding soundness restoration plan requirements for certain public retirement systems. It also amends the evaluation and reporting requirements of certain public retirement systems.

**House Bill 867, Regular Session – Pensions and Qualified Domestic Relations Orders (QDRO).** The legislation clarifies that a QDRO or similar order for maintenance or child support applies to pensions, retirement plans, and other employee benefits. The legislation provides that QDROs may be used for the payment of pension, retirement plan, or other employee benefits to satisfy amounts due under a spousal maintenance order or child support order.

## PRESERVATION BOARD

**PURPOSE:** To preserve and maintain the Texas Capitol, the Capitol Extension, the Capitol Visitors Center (1857 General Land Office Building), other designated buildings, their contents, and their grounds; preserve and maintain the Texas Governor’s Mansion; operate the Bullock Texas State History Museum and the Texas State Cemetery; and provide educational programs centered on Texas history, government, and culture.

**ESTABLISHED:** 1983

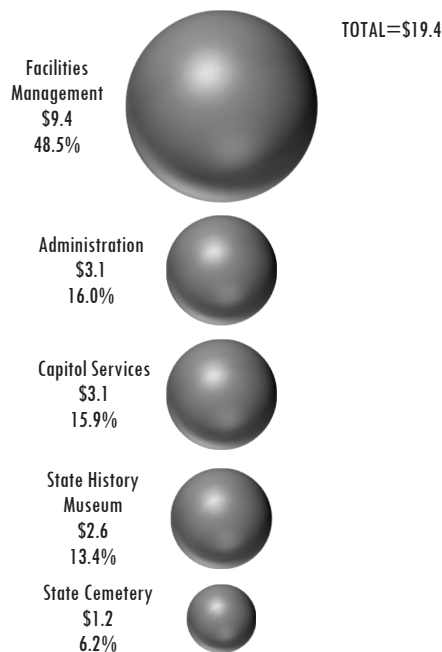
**AUTHORIZING STATUTE:** The Texas Government Code, Section 443.001

**GOVERNANCE:** Board—six members including the Governor, Lieutenant Governor, Speaker of the House of Representatives, one senator, one representative, and one public representative

**FIGURE 114**  
**PRESERVATION BOARD BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$32.2	\$19.4	(\$12.8)	(39.7%)	2022 136.5
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	2023 136.5
Other Funds	\$36.2	\$0.0	(\$36.1)	(99.9%)	
<b>Total, All Methods of Finance</b>	<b>\$68.3</b>	<b>\$19.4</b>	<b>(\$48.9)</b>	<b>(71.5%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The State Preservation Board received **\$37.5 million** in supplemental appropriations in fiscal year 2021, of which **\$33.6 million** was appropriated for performing renovations to the Texas Capitol and the Capitol Extension.

The agency is appropriated **\$1.4 million**, with an increase of 7.0 full-time-equivalent positions for grounds management, landscaping, and maintenance of the **Texas Mall**.

In addition to funds appropriated in the agency’s bill pattern, the **State Preservation Board** was appropriated **\$25.0 million** in federal stimulus funds related to the COVID-19 pandemic in Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, for the 2022–23 biennium for Maintenance and Capital Improvement Projects.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Appropriations for the State Preservation Board for the 2022–23 biennium total \$19.4 million in All Funds, which represents an overall decrease of \$48.9 million. The funding includes \$1.3 million for groundskeeping maintenance of the Texas Mall outdoor common areas and \$2.5 million for janitorial and maintenance contracts. Excluding supplemental funding provided in fiscal year 2021, the decrease in All Funds is due primarily to decreases of \$13.5 million for onetime capital projects, \$0.9 million for the Texas History Education Program at the State History Museum, and \$1.1 million in estimated debt service payments for the Bullock Texas State History Museum.

The decrease for the 2022–23 biennium is also a result of \$37.5 million in supplemental appropriations for the 2020–21 biennium. The supplemental appropriations include \$33.6 million for performing renovations to the Texas Capitol and the Capitol Extension, \$2.5 million for performing repairs and renovations to the Texas State History Museum, and \$1.4 million for the State Cemetery master plan.

In addition, and not included in amounts shown in **Figure 114**, the State Preservation Board was appropriated \$25.0 million in Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, for the 2022–23 biennium in federal stimulus funds related to the COVID-19 pandemic for Maintenance and Capital Improvement Projects.

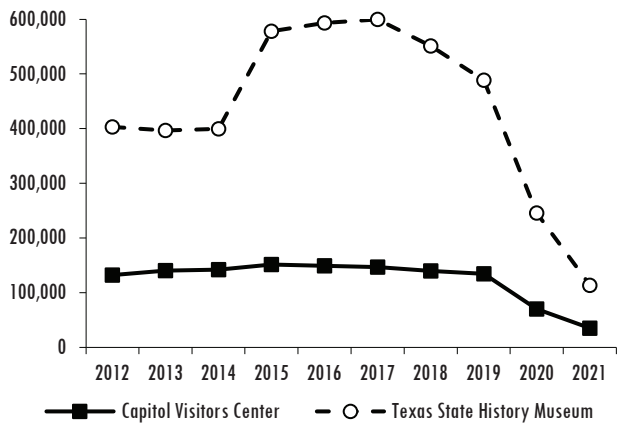
**PROGRAMS**

The State Preservation Board (SPB) carries out its responsibilities through five major program areas: (1) facilities management; (2) State History Museum; (3) State Cemetery; (4) Capitol services; and (5) administration.

**FACILITIES MANAGEMENT**

The facilities management program area includes several programs and functions. The Maintenance Services and Mansion Maintenance programs provide facilities repairs, renovation, and maintenance services to the Capitol, Capitol Extension, Capitol Visitors Center (CVC), Governor’s Mansion, and State History Museum. A primary goal for SPB is to preserve the historic integrity of artifacts and buildings within its purview. As a result, the agency’s Building Modifications and Design program is responsible for approving all repairs and changes involving construction, restoration, and repair to the Capitol and grounds, CVC, and Governor’s Mansion. SPB’s Curatorial Services program

**FIGURE 115**  
**VISITORS TO THE CAPITOL VISITORS CENTER AND TEXAS STATE HISTORY MUSEUM, FISCAL YEARS 2012 TO 2021**



SOURCES: Legislative Budget Board; State Preservation Board.

employs a curator to oversee repairs and renovation to these buildings and their contents. During fiscal year 2021, the agency repaired or restored 403 historical items.

In addition to providing maintenance and repair services, SPB is responsible for general housekeeping of buildings within its purview. Agency staff and contracted vendors provide housekeeping services, such as floor cleaning, waste collection, and other general custodial services. In addition to general housekeeping functions, a vendor provides groundskeeping services for the Capitol grounds, which includes mowing, hedge cutting, and other general landscaping duties. Appropriations for facilities management programs total \$9.4 million and provide 58.0 full-time-equivalent (FTE) positions.

**STATE HISTORY MUSEUM**

State History Museum programs include the operation of the museum and educational and curatorial services. The Bullock Texas State History Museum, which opened in Austin during calendar year 2001, was established for the purpose of engaging visitors and displaying objects and information relating to the state’s history. **Figure 115** shows visitation for the museum from fiscal years 2012 to 2021. Visitation declined substantially in fiscal years 2020 and 2021 due to the pandemic. To retain and build audiences, the museum offers changing exhibitions and programs and three floors of permanent galleries devoted to the history of Texas. The main permanent exhibit displays and interprets the seventeenth-century *La Belle* shipwreck recovered from Matagorda Bay and artifacts from the shipwreck. In addition,



the museum presents professional development training for teachers and curriculum-based, onsite and distance-learning opportunities for students. Revenues that the museum generates from admission fees, parking, gift shop, concessions, IMAX Theater, and facility rentals are deposited into the Museum Fund, held outside the state Treasury, which is used to operate the museum and meet its projected needs. Appropriations for the State History Museum total \$2.6 million and provide 21.0 FTE positions.

#### **STATE CEMETERY**

Since September 2015, SPB has overseen operations of the State Cemetery. The cemetery, established in 1851 and located in Austin, is the burial site for governors, state and federal legislators, judges, and other eligible individuals that have made significant contributions to Texas history. The cemetery grounds are located approximately 1.0 mile east of the Capitol building and include several monuments dedicated to honor groups of Texans, including veterans. Appropriations for the Texas State Cemetery include \$1.2 million for operations and capital projects and provide for 7.5 FTE positions.

#### **CAPITOL SERVICES**

Capitol services programs provide educational and visitation services at the Capitol and CVC and manage enterprises, events, and activities at the Capitol and its grounds. SPB provides interpretation and guided tours of the Capitol and CVC. Tours are provided in English and several other languages to better serve international visitors. Other educational programs offered at the CVC include interactive computer learning stations, multimedia presentations, and traditional exhibits to encourage interest in the state's diverse history. **Figure 115** shows the number of visitors to the CVC from fiscal years 2012 to 2021. The number of visitors decreased substantially in fiscal years 2020 and 2021 due to effects from the COVID-19 pandemic.

Additionally, the agency coordinates public events, activities, and exhibits. The agency also manages revenue-generating enterprises, such as gift shops, cafeterias, parking meters, visitor parking garages, and leasing of other Capitol spaces. Revenue generated is deposited to the Capitol Fund, which is held outside the state Treasury and supports educational programming, historic preservation, facilities services, and other operating expenses of the Capitol and CVC. Additionally, funds also may be transferred from the Capitol Fund to the Capital Renewal Fund, which also is outside the Treasury, for major repairs and renovations at the Capitol

and CVC. Appropriations for Capitol services total \$3.1 million and provide 27.0 FTE positions.

#### **ADMINISTRATION**

SPB is appropriated \$3.1 million and provided 23.0 FTE positions for its administration program area. This program area provides agencywide support functions, including executive leadership, finance, internal audit, legal services, purchasing, human resources management, and staff services.

#### **SIGNIFICANT LEGISLATION**

##### **House Bill 1677 – Establishing a Texas Police Service Animals Memorial Monument in the Capitol Complex.**

The legislation authorizes the State Preservation Board to establish a Police Service Animals Memorial Monument on the Capitol Complex grounds to recognize and honor police service animals killed in the line of duty.

##### **House Bill 3644 – Establishing a memorial monument dedicated to emergency medical services personnel on the Capitol grounds.**

The legislation authorizes the State Preservation Board to establish an appropriate monument on the Capitol grounds dedicated to emergency medical services personnel.

## STATE OFFICE OF RISK MANAGEMENT

**PURPOSE:** To assist state agencies in developing risk management programs and administer the state’s self-insured government employees workers’ compensation program and the state risk management programs.

**ESTABLISHED:** 1997

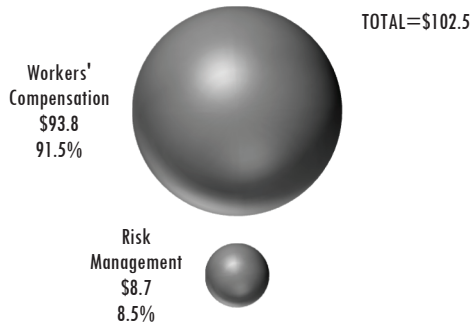
**AUTHORIZING STATUTE:** The Texas Labor Code, §412.011

**GOVERNANCE:** Risk Management Board—five members appointed by the Governor with staggered six-year terms

**FIGURE 116**  
**STATE OFFICE OF RISK MANAGEMENT BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A	
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	<b>2022</b> 131.6
Other Funds	\$102.5	\$102.5	\$0.0	0.0%	<b>2023</b> 131.6
<b>Total, All Methods of Finance</b>	<b>\$102.5</b>	<b>\$102.5</b>	<b>\$0.0</b>	<b>0.0%</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The agency paid approximately **\$66.2 million** in medical and income benefits during the 2020–21 biennium. For the 2022–23 biennium, the agency estimates that it will pay approximately **\$39.8 million in each fiscal year**.

The Eighty-seventh Legislature, 2021, **authorized the payment of claims** to certain public safety employees who suffer from **severe acute respiratory syndrome (SARS) or coronavirus disease (COVID-19)**. The agency is provided authority for an additional **8.0 full-time-equivalent positions**. The **costs for any additional claims would be funded through payments by state agencies from assessments charged by the State Office of Risk Management**.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

The agency's funding is provided through interagency contracts received through its allocation program and subrogation receipts. Appropriations for the State Office of Risk Management (SORM) are unchanged from amounts for the 2020–21 biennium. The agency received an increase of 8.0 full-time-equivalent (FTE) positions for the 2022–23 biennium for implementation of Senate Bill 22, Eighty-seventh Legislature, 2021, related to payment of claims to certain public safety employees who suffer from severe acute respiratory syndrome (SARS) or coronavirus disease (COVID-19).

## PROGRAMS

SORM carries out its mission through two main program areas: (1) workers' compensation; and (2) risk management.

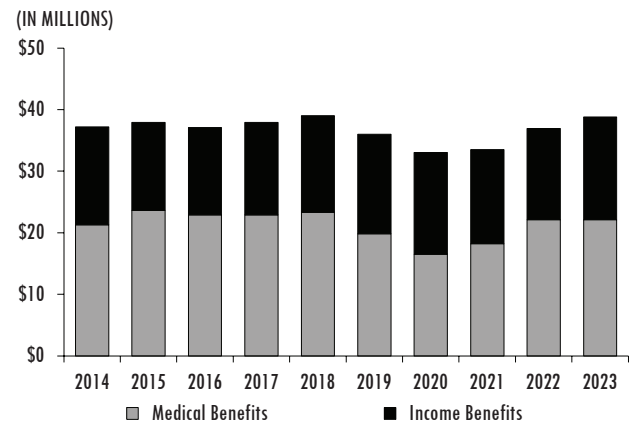
### WORKERS' COMPENSATION

SORM administers the state workers' compensation program, which covers all state employees except those statutorily exempt at the University of Texas (UT) System, the Texas A&M University (TAMU) System, the Employees Retirement System of Texas (ERS), the Teacher Retirement System of Texas (TRS), and the Texas Department of Transportation (TxDOT). Also covered within the state workers' compensation program are county employees at community supervision and corrections departments and employees of the Windham School District.

As part of claims processing, the Claims Operation Department investigates, evaluates, and provides customer support for injury claims and oversees contracted medical cost-containment services. Appropriations for the 2022–23 biennium include \$14.2 million in Other Funds through Interagency Contracts to administer claims processing. The agency processed more than 74,000 medical bills and more than 25,000 indemnity bills (income payments) during fiscal year 2021. SORM expects to process approximately 90,000 medical bills and 27,200 indemnity bills during each fiscal year of the 2022–23 biennium.

SORM is appropriated \$79.6 million to provide payments to approved workers' compensation claimants for the 2022–23 biennium. Of this amount, \$78.5 million, or 98.6 percent, is funded by assessments to client agencies for workers' compensation coverage. Annual assessments are based on a formula that considers payroll size, number of FTE positions, claims costs, number of claims, and injury frequency rate (per 100.0 FTE positions). The formula determines a

**FIGURE 117**  
**WORKERS' COMPENSATION BENEFITS PAID**  
**FISCAL YEARS 2014 TO 2023**



NOTE: Amounts for fiscal years 2022 and 2023 are projected.

SOURCE: State Office of Risk Management.

proportionate share for each agency of the total workers' compensation costs to the state and is structured so that agencies with decreased numbers of injuries and losses may pay smaller proportionate shares; conversely, the proportionate share increases for agencies whose loss performance worsens relative to all other client agencies.

**Figure 117** shows the amount paid in recent years for medical and income benefits. During fiscal year 2021, SORM received 7,214 new claims, of which 5,436 were accepted and led to payments totaling approximately \$34.8 million, including claims with dates of injury from preceding fiscal years. This amount represents a 4.4 percent decrease in the number of claims received and a 11.5 percent decrease in the amount of total payments from fiscal year 2019. SORM's appropriations for workers' compensation-related activities account for approximately \$93.8 million of the agency's 2022–23 biennial appropriations.

### RISK MANAGEMENT

SORM provides risk management, insurance, and business continuity services to client state agencies. Its Enterprise Risk Management program intends to help state entities establish and maintain comprehensive risk management programs to ensure a safe environment for state employees and the public served by state agencies. All state entities participate in the program, excluding the following agencies, which are exempted by the Texas Labor Code, Section 412.011: UT System, TAMU, ERS, TRS, TxDOT, the Texas State University System, and the Texas Tech

University System. During fiscal year 2021, the agency conducted approximately 232 onsite consultations and reviewed 29 risk management programs.

Through SORM, the state sponsors six lines of insurance including auto, directors and officers liability, property, volunteer, builder’s risk, and fine arts. The agency also approves purchases of insurance from outside providers. During fiscal year 2021, the agency issued 158 state-sponsored insurance policies. Additionally, the agency approved 48 purchased lines of insurance from outside providers for 22 state agencies.

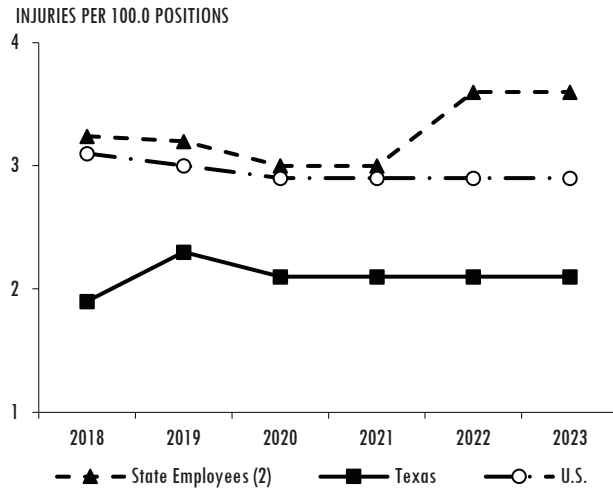
The Continuity of Operations Planning program assists agencies in developing processes and guidelines that will help with continuity of service after a catastrophic or disruptive event. Working with the Texas Office of Homeland Security, the Texas Division of Emergency Management, and the Texas Department of Information Resources, the agency provides resources to assist agencies in developing continuity of operations plans.

**Figure 118** shows a comparison of the number of injuries sustained per 100.0 FTE positions by state employees at agencies that have contracts with SORM for risk management services, by Texas private industry employees, and by employees nationwide since state fiscal year 2018. Appropriations for SORM’s risk management program area total approximately \$8.7 million for the 2022–23 biennium.

**SIGNIFICANT LEGISLATION**

**Senate Bill 22 – Presumption of contracted COVID-19 and payment of claims for certain public safety employees.** The legislation specifies that the death or total or partial disability to custodial officers, detention officers, firefighters, peace officers, and emergency medical technicians who suffer from severe acute respiratory syndrome (SARS) or coronavirus disease 2019 (COVID-19) is presumed to have been sustained in the line of duty under certain circumstances for purposes of access to workers’ compensation benefits. The legislation authorizes payment of claims related to SARS or COVID-19 made on or after June 14, 2021, regardless of whether that claim otherwise would be considered untimely. The legislation also applies to claims previously denied and subsequently resubmitted. The legislation also contains processes for payment and reimbursement of healthcare costs by an insurance carrier.

**FIGURE 118**  
**INJURY FREQUENCY RATES PER 100.0 FULL-TIME-EQUIVALENT POSITIONS, FISCAL YEARS 2018 TO 2023**



NOTES:  
 (1) For fiscal years 2022 and 2023, State Employees amounts are estimated. Texas and U.S. amounts are carried forward from fiscal year 2020.  
 (2) State employees are only those employed by agencies or entities that have contracts with the State Office of Risk Management.  
 SOURCE: State Office of Risk Management.

SORM is provided authority for an additional 8.0 FTE positions. The costs for any additional claims would be funded through payments by state agencies from assessments charged by SORM.

## SECRETARY OF STATE

**PURPOSE:** The Secretary of State serves as chief election officer for Texas, assisting county election officials and ensuring the uniform application and interpretation of election laws throughout Texas. The office also provides a repository for required official, business, and commercial records; publishes government rules and regulations; commissions notaries public; and serves as keeper of the state seal and attester to the Governor’s signature on official documents.

**ESTABLISHED:** 1845

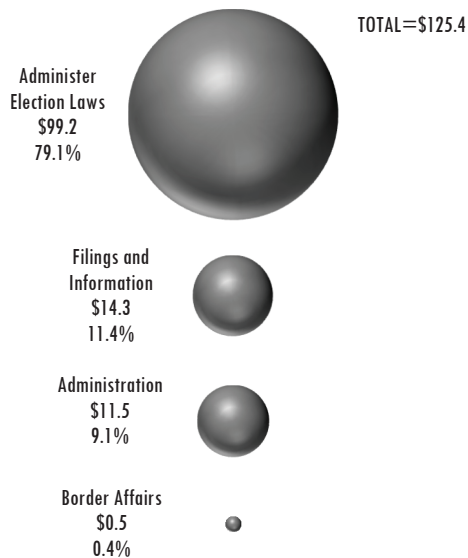
**AUTHORIZING STATUTE:** The Texas Constitution, Article IV, §21

**GOVERNANCE:** Constitutional office appointed by the Governor with the advice and consent of the Senate

**FIGURE 119  
SECRETARY OF STATE BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$69.5	\$63.3	(\$6.2)	(8.9%)	<table border="1"> <tr> <td>2022</td> <td>207.0</td> </tr> <tr> <td>2023</td> <td>207.0</td> </tr> </table>	2022	207.0	2023	207.0
2022	207.0								
2023	207.0								
General Revenue–Dedicated Funds	\$1.1	\$0.2	(\$0.9)	(80.1%)					
Federal Funds	\$103.7	\$46.7	(\$56.9)	(54.9%)					
Other Funds	\$15.2	\$15.2	(\$0.0)	(0.1%)					
<b>Total, All Methods of Finance</b>	<b>\$189.5</b>	<b>\$125.4</b>	<b>(\$64.1)</b>	<b>(33.8%)</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

A total of **\$38.3 million** is appropriated to reimburse counties for the purchase of **auditable voting machines**, including **\$34.0 million in Federal Funds** and **\$4.3 million in General Revenue Funds**.

Appropriations include **\$1.3 million** in additional General Revenue Funds to maintain the **Texas Election Administration Management (TEAM)** voter registration system and \$1.4 million to provide training to county election officials.

Supplemental appropriations include **\$18.2 million** in General Revenue Funds in fiscal year 2021 to **replace a business transaction system**.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Funding for the Secretary of State (SOS) includes a net decrease of \$64.1 million in All Funds. This includes a decrease of \$50.0 million in Federal Funds due to a decrease in fund balances in the fiscal year 2018 Help America Vote Act (HAVA) grant, a decrease of \$39.5 million due to the expenditure of federal grants related to the COVID-19 pandemic, and a supplemental appropriation of \$18.2 million to replace a business transactions system. These decreases were partly offset by increases of \$34.0 million in Federal Funds for a grant program to replace counties' voting machines with auditable voting machines. In addition, the agency's General Revenue Funds increases include \$4.3 million in additional funding for reimbursement of auditable voting machines and a transfer of \$4.0 million under budget execution authority pursuant to the Texas Government Code, Section 317.002, from the Texas Department of Criminal Justice for the purpose of conducting post-election audits.

**PROGRAMS**

The agency carries out its responsibilities through three major program areas: (1) administering election laws; (2) filings and information; and (3) border affairs.

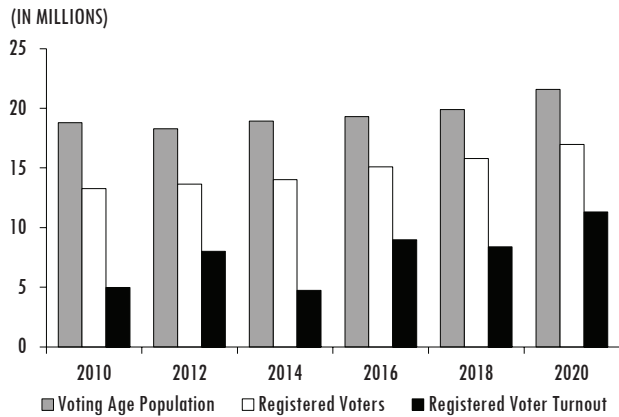
**ADMINISTERING ELECTION LAWS**

As chief elections officer, the SOS is responsible for the interpretation and application of the Texas Election Code. SOS administers election laws through five interrelated functions: administration of statewide elections, election and voter registration funds, constitutional amendments, administration of HAVA, and voter registration.

Historical data regarding voter turnout and registration is shown in **Figure 120**. Voting-age population refers to the total number of individuals in the state that are age 18 or older, regardless of citizenship, military status, felony conviction, or mental state. As in previous biennia, the functions once supported by depleted HAVA Federal Funds increasingly now are supported by General Revenue Funds. For the 2022–23 biennium, an additional \$1.3 million in General Revenue Funds has been appropriated in place of HAVA funding to maintain the statewide electronic voter registration Texas Election Administration Management (TEAM) database. The agency also received \$1.4 million in General Revenue Funds to train county election officials on this system.

The Eighty-seventh Legislature, Regular Session, 2021, passed eight proposed constitutional amendments for the November

**FIGURE 120**  
**TEXAS GENERAL ELECTION TURNOUT AND VOTER REGISTRATION, FISCAL YEARS 2010 TO 2020**



SOURCE: Texas Office of the Secretary of State.

2021 election. The Legislature further passed two proposed amendments during its Second and Third Called Sessions, which voters will consider in the May 7, 2022, election. SOS also will disburse approximately \$16.8 million to county political parties for payment of poll workers and operating costs associated with primary elections for fiscal year 2022. Appropriations for administering election laws include \$99.2 million and 39.0 full-time-equivalent (FTE) positions.

**FILINGS AND INFORMATION**

The agency's responsibilities regarding information management are to provide accurate, reliable, and timely access to public information; to process documents efficiently; and to ensure compliance with laws and rules relating to filing documents and accessing documents filed with the agency. The agency's electronic filing system website, the Secretary of State Online Access (SOSDirect), enables external users to file documents and obtain information regarding Uniform Commercial Code (UCC) and business-entity filings. In the business and public filings program, the agency accepts or rejects business-entity documents, UCC documents, notary public, assumed names, trademark documents, and other statutory filings. The business and public filings program is appropriated \$13.4 million and 101.0 FTE positions for the 2022–23 biennium.

The other primary program within information management is document publishing, which provides for the filing, editing, compiling, and publishing of the Texas Administrative Code and the *Texas Register* weekly journal, with appropriations of \$0.9 million and 8.0 FTE positions for the

biennium. The agency anticipates processing 20.2 million filings and related information requests for the 2022–23 biennium. In addition, the agency was provided a supplemental appropriation of \$18.2 million to replace the Business Entity Secured Transaction (BEST) system used by the agency for business filings.

### **BORDER AFFAIRS**

The primary function of the border affairs program area is to provide for protocol services and the representation of the Governor and the state at meetings with Mexican officials and at events and conferences involving the diplomatic corps, government officials, and business leaders. Appropriations for the protocol and border affairs program include approximately \$0.5 million for the biennium and provide for 3.0 FTE positions.

### **SIGNIFICANT LEGISLATION**

**House Bill 1382 – Availability of certain early voting information.** The legislation requires the SOS to develop an online tool to enable a voter to track the location and status of a ballot application.

**Senate Bill 231 – Training for county election officials.** The legislation requires SOS to develop a standardized training program and materials for election officials.

**Senate Bill 598 – Auditable voting systems.** The legislation establishes a risk-limiting audit program administered by the SOS and would require SOS to reimburse counties for the replacement of direct-recording electronic voting systems including tabulation machines.

**Senate Bill 1, Second Called Session – Revising election laws and processes.** The legislation requires the SOS to develop a training course for voter registrars, to conduct periodic election audits of certain counties, to develop and maintain an online training program for poll watchers, and to modify the TEAM system for the tracking of mail-in ballots. The legislation also requires SOS to reimburse counties for certain changes in vote counting systems. The legislation additionally makes various changes to election processes.

## VETERANS COMMISSION

**PURPOSE:** To help guarantee that Texas veterans and their families secure all the rights and benefits provided for them by law through advocacy, counseling, and financial assistance.

**ESTABLISHED:** 1927 as the Veterans State Service Office and renamed the Texas Veterans Commission in 1985

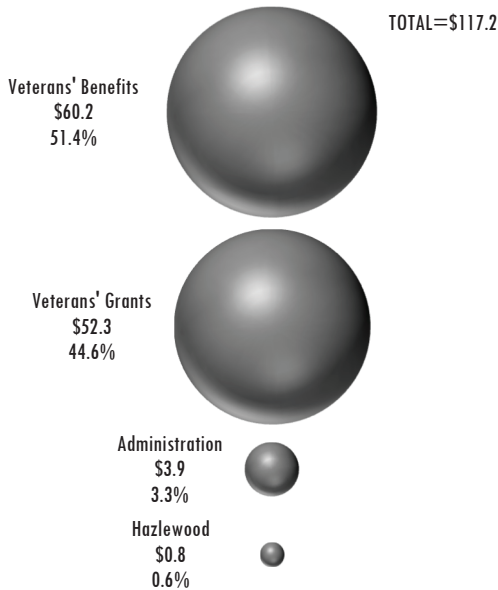
**AUTHORIZING STATUTE:** The Texas Government Code, Chapter 434

**GOVERNANCE:** Commission—five members appointed by the Governor with the advice and consent of the Senate

**FIGURE 121**  
**VETERANS COMMISSION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$27.5	\$29.0	\$1.5	5.3%	<table border="1"> <tr> <td><b>2022</b></td> <td>438.5</td> </tr> <tr> <td><b>2023</b></td> <td>438.5</td> </tr> </table>	<b>2022</b>	438.5	<b>2023</b>	438.5
<b>2022</b>	438.5								
<b>2023</b>	438.5								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$27.0	\$29.5	\$2.6	9.5%					
Other Funds	\$60.5	\$58.7	(\$1.8)	(3.0%)					
<b>Total, All Methods of Finance</b>	<b>\$115.0</b>	<b>\$117.2</b>	<b>\$2.2</b>	<b>1.9%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

During fiscal year 2021, the agency filed 216,934 new monetary claims, 9,568 appeals, and managed a total caseload of 239,201 claims resulting in **\$4.6 million in compensation** to Texas veterans and their families. Funding for **Claims Assistance and Counseling to Veterans and their Families** totals **\$15.1 million** for the 2022–23 biennium.

Texas is home to the largest number of women veterans in the nation with approximately **177,000 women veterans**. Appropriations include \$0.5 million and 4.0 full-time-equivalent positions for the Women Veterans Program to fund efforts tailored to connect with and assist women veterans.

Since fiscal year 2009, the agency has awarded more than **\$202.8 million in grant awards through the Fund for Veterans' Assistance** to nonprofit and local government entities that provide direct services to veterans and their families.

SOURCE: Legislative Budget Board.



## MAJOR FUNDING

Appropriations for the Texas Veterans Commission (TVC) increased by \$2.2 million, or 1.9 percent, for the 2022–23 biennium. The increase is related primarily to an addition of \$1.4 million and 13.0 full-time-equivalent (FTE) positions to fully staff and support all remaining Department of Veterans Affairs (VA) Outpatient Clinics that were not previously staffed with a TVC healthcare advocate, and additional funding of \$0.1 million to relocate to a newly constructed building within the Capitol Complex.

## PROGRAMS

The agency carries out its responsibilities to veterans and their families through four major program areas: (1) veterans' benefits, (2) veterans' grants, (3) Hazlewood Act administration, and (4) administration.

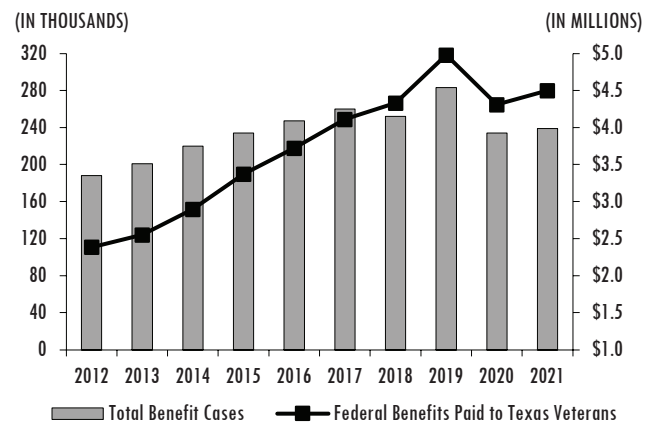
### VETERANS' BENEFITS

The Veterans Commission's largest program area encompasses six primary efforts, the largest of which, claims counseling and representation, assists and counsels veterans, families of veterans, and survivors in pursuit of eligible benefits. Texas ranks second in the U.S. in total veteran population with 1.6 million veterans. TVC informs veterans and their families of available benefits, assists them through the claims process, and offers guidance regarding benefit appeals. TVC also provides training for Veterans County Service Officers, which provide local assistance to veterans.

During fiscal year 2021, the agency filed 216,934 new monetary claims, 9,568 appeals, and managed a total caseload of 239,201 claims, which resulted in \$4.6 million in compensation to Texas veterans and their families. TVC utilizes the Public Assistance Reporting Information System, to forward new or additional benefits claims to the U.S. Department of Veterans Affairs (VA). **Figure 122** shows the number of active benefit cases compared to the federal benefits paid to Texas veterans. Appropriations for claims counseling and representation total approximately \$15.1 million for the 2022–23 biennium.

As part of its Veterans Employment Services program, TVC provides comprehensive services to veterans and veterans' spouses in pursuit of long-term, meaningful employment. These services include assistance with completing job applications, reviewing resumes, job matching and searches, referrals to training, targeted services to those facing significant obstacles to employment, and other services. Additionally, TVC works with employers, government

**FIGURE 122**  
**FEDERAL BENEFITS AND CASE REPRESENTATION BY THE**  
**VETERANS COMMISSION, FISCAL YEARS 2012 TO 2021**



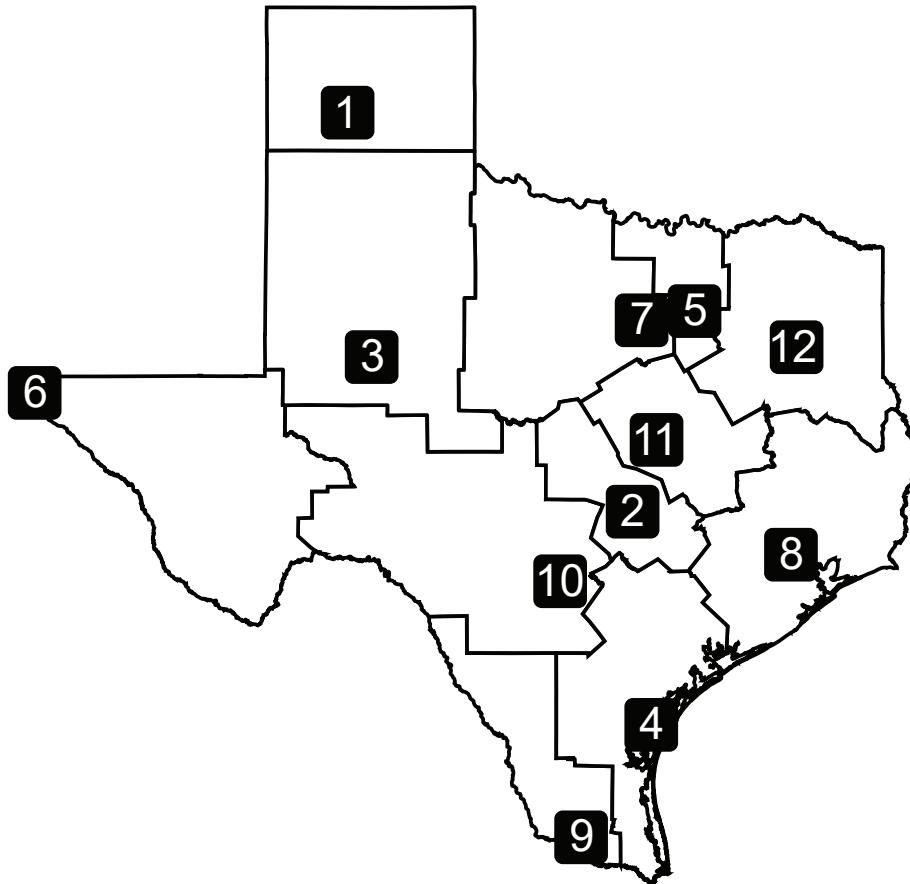
SOURCE: Texas Veterans Commission.

entities, and institutions of higher education to help them understand the benefits of hiring veterans and to navigate and simplify veteran hiring practices. Appropriations for the 2022–23 biennium include \$26.9 million for Veterans Employment Services.

TVC's Veterans Education Program serves as the state's approving agency for federal GI Bill benefits and serves as administrator for Hazlewood Act benefits. The Eighty-fifth Legislature, Regular Session, 2017, transferred TVC funding for the Hazlewood Legacy Program to the Permanent Fund Supporting Military and Veterans Exemptions to combine the funding for the Hazlewood Legacy Program (see **Chapter 6, Agencies of Education**). The agency reviews, evaluates, approves, and oversees education and training programs for veterans and other eligible individuals. TVC conducts VA-directed compliance survey visits to examine reporting accuracy at schools and training establishments, to monitor tuition and fee charges to veterans and the VA, and to ensure VA payment accuracy.

During fiscal year 2021, more than 794 TVC-approved Texas colleges, universities, trade and vocational schools, and training facilities enabled an estimated 57,496 eligible veterans and their families to use benefits offered through the GI Bill. TVC's Veterans Education program responded to more than 22,000 inquiries regarding education benefits, conducted more than 198 onsite visits, and completed 112 VA-directed compliance survey visits throughout the state. Additionally, the Veterans Education Department participated in 23 veterans' job fairs, benefits fairs, and

**FIGURE 123**  
**TEXAS VETERANS COMMISSION HEALTH CARE ADVOCACY REGIONS, FISCAL YEAR 2021**



- |   |                       |    |                    |
|---|-----------------------|----|--------------------|
| 1 | Amarillo Region       | 7  | Fort Worth Region  |
| 2 | Austin Region         | 8  | Houston Region     |
| 3 | Big Spring Region     | 9  | McAllen Region     |
| 4 | Corpus Christi Region | 10 | San Antonio Region |
| 5 | Dallas Region         | 11 | Temple Region      |
| 6 | El Paso Region        | 12 | Tyler Region       |

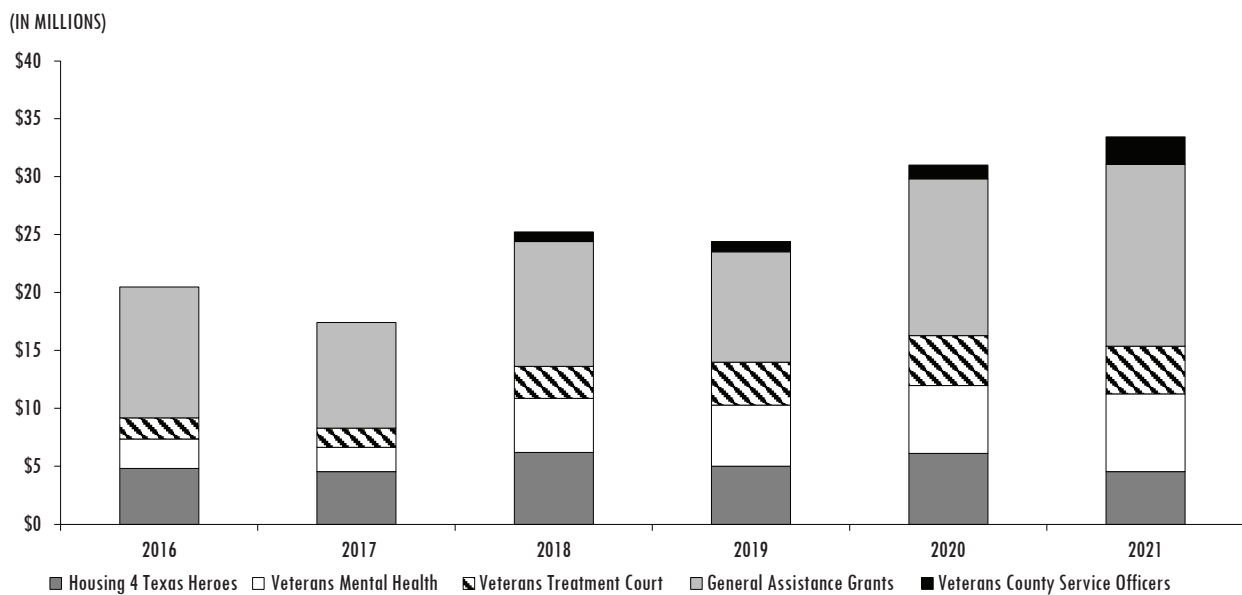
SOURCE: Texas Veterans Commission.

other outreach events in Texas and engaged in more than 365 outreach activities to connect veterans and families to services. The agency is appropriated approximately \$3.4 million for veterans’ education-related services for the 2022–23 biennium.

The Veteran Health Care Advocacy staff act as liaisons between veterans and the U.S. Department of Veteran Affairs to resolve access issues involving VA healthcare-related services. **Figure 123** shows the program’s regional offices. This program is funded with \$2.9 million for the 2022–23 biennium.

TVC’s Veterans Outreach program informs veterans of benefits and services using a multimedia approach to disseminating information. This program is appropriated \$2.9 million for the 2022–23 biennium. In its outreach efforts, TVC staff completed more than 900,000 veteran engagements during fiscal year 2021, including connections made via social media and other online campaigns. Included in the Veterans Outreach Program is the Women Veterans Program. Texas has the largest number of women veterans in the U.S., with approximately 177,000 women veterans. The Women Veterans Program is appropriated \$0.5 million for the 2022–23 biennium.

**FIGURE 124**  
**TEXAS VETERANS COMMISSION FUND FOR VETERANS' ASSISTANCE GRANTS, FISCAL YEARS 2016 TO 2021**



NOTE: Amounts for fiscal year 2021 are estimated.  
 SOURCE: Texas Veterans Commission.

The Veteran Entrepreneur Program (VEP) assists veterans with starting and growing businesses through various services including, but not limited to, providing guidance to veteran entrepreneurs and business owners through conferences, seminars, and training workshops; providing one-on-one counseling; and outreach and advocacy for veteran entrepreneurship. In addition, the VEP reviews and provides qualifying veterans a letter of verification, which is used to waive certain business-filing fees. The program provided more than 7,113 services to veterans and their families during fiscal year 2021, including business planning, development, opening assistance, and other targeted guidance.

#### VETERANS' GRANTS

The Texas Veterans Commission Fund for Veterans' Assistance (FVA) grant program awards grants to eligible charitable, governmental, and veterans organizations that provide direct services to Texas veterans and their families through four grant awards: General Assistance, Veterans Mental Health, Veteran Treatment Court, and Housing 4 Texas Heroes. Through the 2020–21 biennium, the FVA grant program has awarded more than \$200.0 million to organizations across Texas and helped more than 380,000 veterans and veteran families since fiscal year 2009.

**Figure 124** shows the awards that FVA has granted since fiscal year 2016.

General Assistance grants are awarded to certain organizations that provide limited emergency assistance; child and family services; transportation services; legal services; and employment, training, education, and job placement assistance to veterans. Veterans Mental Health grants are awarded to organizations that work to meet the mental health needs of veterans and their families. These organizations typically offer services including clinical counseling, peer-delivered services, and nonclinical support services. Housing 4 Texas Heroes grants provide financial support to organizations that assist Texas veterans and their families to obtain, maintain, or improve housing. Veteran Treatment Court grants support local efforts to provide veterans service through treatment court programs. Approximately \$60.3 million is appropriated to the Texas Veterans Commission for grant programs for the 2022–23 biennium.

#### HAZLEWOOD ACT ADMINISTRATION

The Hazlewood Act, codified in the Texas Education Code, Section 54.341, provides an educational benefit to eligible Texas veterans residing in the state and certain dependents or spouses of Texas veterans. The Hazlewood exemption program is a state benefit that provides qualified individuals

with an education benefit of up to 150 semester credit hours of tuition exemption, including most fees, at public institutions of higher education in Texas.

The Hazlewood Legacy Program, which began in fall 2009, enables a veteran to pass on this educational benefit to a dependent. Spouses and dependents of veterans are eligible for this exemption if a veteran spouse or parent was killed in action, died while in service, died as a result of service-related injuries or illness, is classified as missing in action, became totally and permanently disabled, or meets the requirements for individual unemployability due to a service-related injury.

TVC's Veterans Education program administers the Hazlewood tuition exemption program. It also maintains the Hazlewood database, which records information from public institutions of higher education in Texas pertaining to the number and classification of veterans and other eligible Hazlewood students, as well as the funding exempted by each institution for the various Hazlewood eligibility categories. The Eighty-fifth Legislature, Regular Session, 2017, transferred TVC funding for the Hazlewood Legacy Program to the Permanent Fund Supporting Military and Veterans Exemptions (MVE) to combine the MVE and TVC funding for the Hazlewood Legacy Program into one appropriations bill pattern. The agency is appropriated \$0.8 million for the 2022–23 biennium related to its administration of the Hazlewood Act.

#### **ADMINISTRATION**

The agency facilitates the management and distribution of funds, grants, and complex support services to support its agency programs. For the 2022–23 biennium, agency appropriations total approximately \$3.9 million for administrative functions.

#### **SIGNIFICANT LEGISLATION**

**House Bill 33 – Postsecondary course credit leading to workforce credentialing based on military experience, education, and training.** The legislation directs the Veterans Commission to assist and work in coordination with the Texas General Land Office and career schools and programs to prepare veterans for employment in certain industries.

**Senate Bill 886 – Citizenship assistance to veterans by the Texas Veterans Commission.** The legislation directs the TVC to provide assistance in citizenship and in facilitating the naturalization process for veterans.

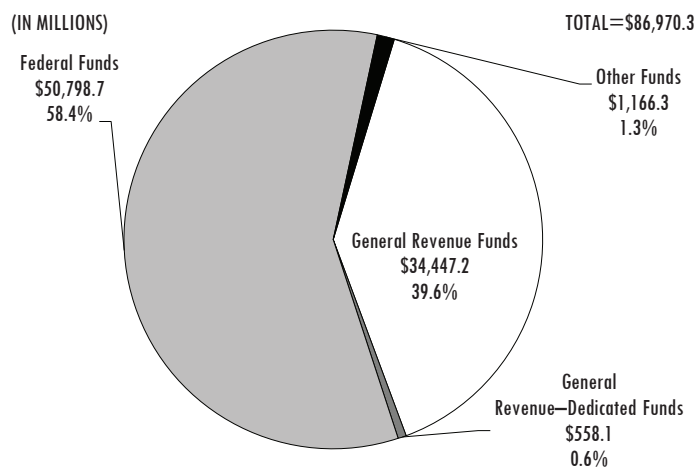
## 5. HEALTH AND HUMAN SERVICES

Health and Human Services is the second-largest function of Texas state government in terms of general revenue appropriations. Spending is driven primarily by caseloads for Medicaid, the Children’s Health Insurance Program (CHIP), and child protective services. Other significant programs include inpatient and outpatient mental health services, services for individuals with intellectual disabilities, and programs to protect and improve public health.

**FIGURE 125**  
**ARTICLE II – HEALTH AND HUMAN SERVICES, BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$32,768.0	\$34,447.2	\$1,679.2	5.1%
General Revenue–Dedicated Funds	\$515.8	\$558.1	\$42.3	8.2%
Federal Funds	\$62,074.4	\$50,798.7	(\$11,275.7)	(18.2%)
Other Funds	\$2,083.3	\$1,166.3	(\$917.0)	(44.0%)
<b>Total, All Methods of Finance</b>	<b>\$97,441.5</b>	<b>\$86,970.3</b>	<b>(\$10,471.2)</b>	<b>(10.7%)</b>

### SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

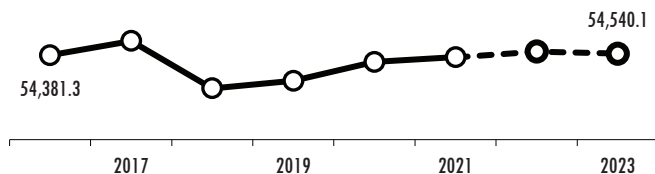
Appropriations for the **Medicaid program** total **\$68.7 billion** in All Funds, including \$25.3 billion in General Revenue Funds and General Revenue–Dedicated Funds, a decrease of \$5.4 billion in All Funds from the 2020–21 biennial expenditure level.

Funding for **non-Medicaid/CHIP behavioral health services** totals **\$3.4 billion** in All Funds, including \$2.5 billion in General Revenue Funds and General Revenue–Dedicated Funds.

Funding for **Child Protective Services** totals **\$4.0 billion** in All Funds, an increase of \$0.3 billion primarily for additional direct delivery staff to maintain or reduce caseloads, for the expansion of Community-based Care, and to increase system capacity.

The Eighty-seventh Legislature, 2021, made **other significant investments** in health and human services programs, including women’s and children’s health services, public health services, child advocacy programs, and infrastructure.

### FULL-TIME-EQUIVALENT POSITIONS



**NOTES:**

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent positions show actual positions for fiscal years 2016 to 2020, budgeted positions for fiscal year 2021, and appropriated positions for fiscal years 2022 and 2023.

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

**FIGURE 126**  
**ARTICLE II – HEALTH AND HUMAN SERVICES APPROPRIATIONS BY AGENCY, ALL FUNDS**

(IN MILLIONS) FUNCTION	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Family and Protective Services	\$4,400.5	\$4,713.8	\$313.2	7.1%
Department of State Health Services	\$5,708.8	\$1,881.8	(\$3,827.0)	(67.0%)
Health and Human Services Commission	\$85,834.8	\$78,767.4	(\$7,067.4)	(8.2%)
<b>Subtotal, Health and Human Services</b>	<b>\$95,944.1</b>	<b>\$85,362.9</b>	<b>(\$10,581.1)</b>	<b>(11.0%)</b>
Employee Benefits and Debt Service	\$2,204.3	\$2,279.7	\$75.4	3.4%
Less Interagency Contracts	\$706.9	\$672.4	(\$34.5)	(4.9%)
<b>Total, All Functions</b>	<b>\$97,441.5</b>	<b>\$86,970.3</b>	<b>(\$10,471.2)</b>	<b>(10.7%)</b>

## NOTES:

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

(2) Includes supplemental appropriations made in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

### MEDICAID

The primary funding item for the health and human services (HHS) function is Medicaid, constituting more than three-quarters of HHS All Funds appropriations. 99.9 percent of Medicaid funding is appropriated to the Health and Human Services Commission (HHSC) for Medicaid client services, programs supported by Medicaid funding, and administration of Medicaid and programs supported by Medicaid funding. The remaining 0.1 percent is appropriated to the Department of State Health Services and the Department of Family and Protective Services for programs supported by Medicaid funding and administration of Medicaid and programs supported by Medicaid funding.

A total of \$68.7 billion in All Funds (\$25.2 billion in General Revenue Funds, \$0.1 billion in General Revenue–Dedicated Funds, \$0.5 billion in Other Funds, and \$42.9 billion in Federal Funds) in Medicaid funding is appropriated across HHS for the 2022–23 biennium. These appropriations represent a \$5.4 billion decrease in All Funds (7.3 percent) from the 2020–21 biennial expenditure level, which includes a \$5.1 billion All Funds decrease in Medicaid client services, a \$0.1 billion All Funds increase in Medicaid funding for programs supported by Medicaid funding, and a \$0.5 billion decrease in administrative funding. **Figure 127** shows 2020–21 biennial estimated/budgeted amounts for Medicaid compared to 2022–23 biennial appropriations.

### BEHAVIORAL HEALTH

Funding for non-Medicaid/CHIP behavioral health services and related expenditures at HHS agencies includes \$3.4 billion in All Funds (\$2.5 billion in General Revenue Funds and General Revenue–Dedicated Funds). This amount is a decrease of \$0.7 billion in All Funds, and an increase of \$0.3 billion in General Revenue Funds, from the 2020–21 biennial expenditure level. The decrease is primarily due to a \$0.7 billion decrease in Other Funds (Economic Stabilization Fund and bonds) appropriated for onetime construction projects at state-funded inpatient mental health facilities. The decrease reflects the inclusion of funds provided in House Bill 2, Eighty-seventh Legislature, 2021, in fiscal year 2021 although the appropriation is for a two-year period and the funds are anticipated to be expended during the 2022–23 biennium. These decreases are offset partially by increases at HHSC totaling \$0.1 billion for new mental health hospital beds funded across the state.

Estimated Medicaid expenditures for behavioral health services total \$3.7 billion in All Funds for the 2022–23 biennium, and estimated CHIP expenditures total \$0.1 billion in All Funds. The amounts for both programs include projected cost growth that is not funded. Total behavioral health funding at the HHS agencies, including estimated Medicaid and CHIP expenditures, is \$7.1 billion in All Funds for the biennium. **Figure 128** shows 2020–21 biennial estimated/budgeted amounts for behavioral health compared to 2022–23 biennial appropriations.

**FIGURE 127**  
**MEDICAID APPROPRIATIONS IN ALL FUNDS BY AGENCY**  
**2020–21 TO 2022–23 BIENNIA**

(IN MILLIONS)	ESTIMATED/BUDGETED	APPROPRIATED	BIENNIAL
CATEGORY	2020–21	2022–23	CHANGE
<b>Department of Family and Protective Services</b>			
Medicaid Funding for Administration	\$8.1	\$8.9	\$0.8
Programs Providing Client Services with Medicaid Funding	\$37.5	\$44.5	\$7.0
<b>Subtotal, Department of Family and Protective Services</b>	<b>\$45.6</b>	<b>\$53.4</b>	<b>\$7.8</b>
<b>Department of State Health Services</b>			
Medicaid Funding for Administration	\$26.8	\$28.1	\$1.3
<b>Health and Human Services Commission</b>			
Medicaid Program Client Services	\$69,163.6	\$64,103.0	(\$5,060.6)
Medicaid Funding for Administration	\$3,321.8	\$2,830.7	(\$491.1)
Programs Providing Client Services with Medicaid Funding	\$1,608.8	\$1,702.0	\$93.2
<b>Subtotal, Health and Human Services Commission</b>	<b>\$74,094.2</b>	<b>\$68,635.7</b>	<b>(\$5,458.5)</b>
<b>Total, All Health and Human Services Agencies</b>	<b>\$74,166.6</b>	<b>\$68,717.2</b>	<b>(\$5,499.4)</b>

## NOTES:

(1) Amounts may not sum due to rounding.

(2) Includes supplemental appropriations provided in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.

SOURCE: Legislative Budget Board.

**FIGURE 128**  
**HEALTH AND HUMAN SERVICES BEHAVIORAL HEALTH APPROPRIATIONS IN ALL FUNDS BY AGENCY**  
**2020–21 TO 2022–23 BIENNIA**

(IN MILLIONS)	ESTIMATED/BUDGETED	APPROPRIATED	BIENNIAL
AGENCY	2020–21	2022–23	CHANGE
Department of Family and Protective Services	\$60.5	\$58.1	(\$2.4)
Department of State Health Services	\$2.1	\$3.5	\$1.4
Health and Human Services Commission	\$3,999.0	\$3,293.6	(\$705.4)
<b>Subtotal, Non-Medicaid and Children's Health Insurance Program (CHIP)</b>	<b>\$4,061.7</b>	<b>\$3,355.2</b>	<b>(\$706.5)</b>
Estimated Medicaid and CHIP	\$3,428.2	\$3,776.0	\$347.7
<b>Total, All Health and Human Services Agencies</b>	<b>\$7,489.9</b>	<b>\$7,131.2</b>	<b>(\$358.7)</b>

## NOTES:

(1) Amounts may not sum due to rounding.

(2) Includes supplemental appropriations provided in House Bill 2, Eighty-seventh Legislature, 2021.

(3) Medicaid and CHIP amounts for the 2022–23 biennium include cost growth that is not funded in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium.

SOURCE: Legislative Budget Board.

## DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

**PURPOSE:** Protect children, the elderly, and people with disabilities from abuse, neglect, and exploitation by involving clients, families, and communities.

**ESTABLISHED:** 2004

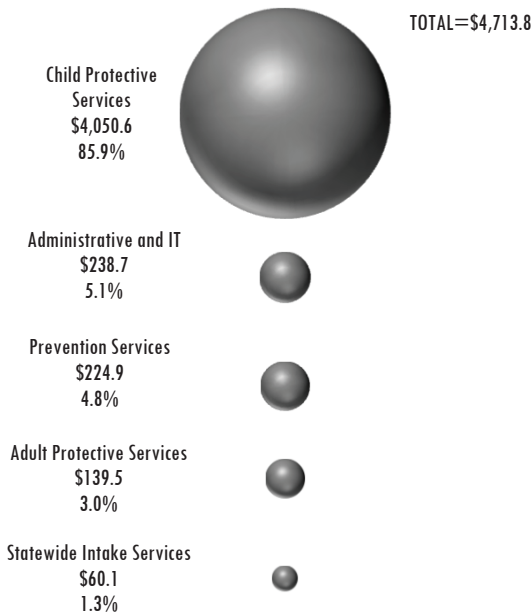
**AUTHORIZING STATUTE:** The Texas Human Resources Code, Title 2, Chapters 40, 42, and 48

**GOVERNANCE:** Commissioner, appointed by the Governor, with the advice and consent of the Senate; Family and Protective Services Council – nine members of the public appointed by the Governor to assist with development of rules and policies

**FIGURE 129**  
**DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$2,205.3	\$2,739.3	\$533.9	24.2%	<table border="1"> <tr> <td>2022</td> <td>13,001.5</td> </tr> <tr> <td>2023</td> <td>12,771.5</td> </tr> </table>	2022	13,001.5	2023	12,771.5
2022	13,001.5								
2023	12,771.5								
General Revenue–Dedicated Funds	\$11.4	\$8.6	(\$2.8)	(24.6%)					
Federal Funds	\$2,168.3	\$1,951.2	(\$217.2)	(10.0%)					
Other Funds	\$15.5	\$14.8	(\$0.7)	(4.7%)					
<b>Total, All Methods of Finance</b>	<b>\$4,400.5</b>	<b>\$4,713.8</b>	<b>\$313.2</b>	<b>7.1%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations for **Community-based Care (CBC)** total \$540.0 million in All Funds to maintain existing services and to expand CBC into four new regions (Regions 3e, 4, 5, and 9) and roll out Stage II in Regions 1 and 8b.

Appropriations for **Child Protective Services (CPS) Direct Delivery Staff** total \$1,675.0 million in All Funds, an increase of \$57.8 million primarily related to CBC support and additional direct delivery staff to manage caseworker caseloads.

Appropriations for **CPS client services**, including day care, foster care, adoption subsidies and permanency care assistance, and relative caregiver payments provide \$2,050.2 million in All Funds, an increase of \$236.6 million primarily for projected caseload growth, foster care capacity, and CBC expansion.

Appropriations include \$85.2 million in All Funds to address the ongoing **foster care litigation**.

NOTE: IT=information technology.  
SOURCE: Legislative Budget Board.



## MAJOR FUNDING

House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, increased appropriation authority of the Department of Family and Protective Services (DFPS) in fiscal year 2021 by \$7.0 million in All Funds, including a decrease of \$220.3 million in General Revenue Funds, for the following purposes:

- \$226.6 million in pandemic-related federal stimulus funds for salaries and benefits related to the COVID-19 pandemic response offset by a reduction of \$226.2 million in General Revenue Funds;
- \$3.1 million in General Revenue Funds for Information Technology (IT) upgrades to comply with the foster care litigation; and
- \$3.1 million in General Revenue Funds for data center services.

House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021, increased appropriation authority of DFPS in the 2022–23 biennium by \$90.0 million in General Revenue Funds, for the following purposes:

- \$70.0 million in General Revenue Funds for providing supplemental payments to retain foster care providers and increase provider capacity; and
- \$20.0 million in General Revenue Funds for providing targeted foster care capacity grants to address the existing foster care capacity shortage.

Appropriations for DFPS for the 2022–23 biennium total \$4.7 billion in All Funds, including \$2.7 billion in General Revenue Funds and General Revenue–Dedicated Funds, representing increases of \$313.2 million in All Funds and \$533.9 million in General Revenue Funds from 2020–21 biennial spending levels. The majority of the increases (\$163.3 million in All Funds and \$122.0 million in General Revenue Funds) is provided for Child Protective Services (CPS), primarily to fund expansion of Community-based Care (CBC), to address the foster care litigation, and to implement programs and come into compliance with the federal Family First Prevention Services Act (FFPSA).

The expansion of CBC in the 2022–23 biennium affects funding for CPS direct delivery staff, program support, and foster care payments. CBC implementation occurs in two stages through which a single-source continuum contractor (SSCC) assumes responsibility for finding foster homes or other out-of-home placements for children in state care and

for providing additional services. In Stage I the SSCC provides foster care services, including placement. In Stage II the SSCC assumes responsibility for case management of children in state care. As CBC expands into additional regions and stages, DFPS funding is increased while full-time-equivalent (FTE) positions are reduced as SSCCs assume responsibilities previously performed by state staff. The increased funding includes start-up costs and resource transfers, which provide FTE position costs that would be appropriated to DFPS, and funding for benefits that would have been appropriated outside of DFPS's budget. Additional costs are also associated with network support payments provided for each child for which an SSCC is responsible. CBC was implemented in Stage I in Region 3b (Tarrant County and nearby counties) in fiscal year 2015, in Regions 2 (Abilene, Wichita Falls, and surrounding counties) and 8a (Bexar County) in fiscal year 2019, and Region 1 (Amarillo and Lubbock) in fiscal year 2020. CBC was implemented in Stage II in Regions 3b, and 2 in fiscal year 2020. Stage I in Region 8b (counties surrounding Bexar County) and Stage II in Region 1 are scheduled for implementation in fiscal year 2022.

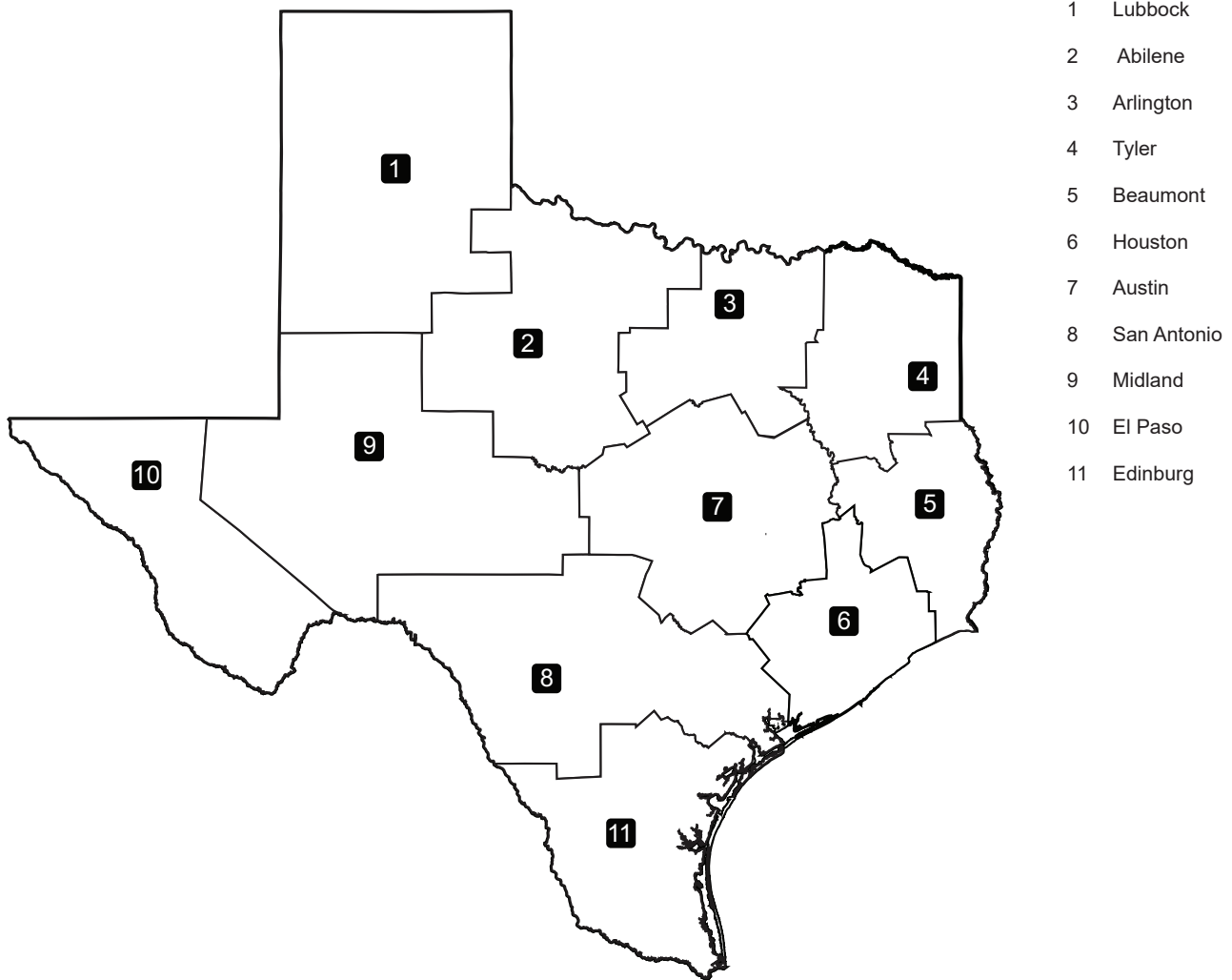
On April 29, 2021, Region 8a (Bexar County) gave formal notice to terminate its SSCC contract with DFPS. Along with the SSCC, DFPS implemented a 60-day contingency plan to allow for the transition of services, subcontracts, and human resources back to DFPS. As of July 1, 2021, all subcontracts for foster care placement and services were successfully transitioned back to DFPS with no disruption in services to children and youth or payments to providers as a result of the transition.

Appropriations for the 2022–23 biennium assume expansion of Stage I into four additional regions— 3e (Dallas area and surrounding counties), 9 (West Texas, including Midland/Odessa/San Angelo), 4 (Northeast Texas, including Tyler), and 5 (East Texas, including Beaumont)— and into Stage II in two regions (1, and 8b). Total funding for CBC in the 2022–23 biennium includes \$540.0 million in All Funds (\$398.8 million in General Revenue Funds). **Figure 130** shows the major cities in each region.

## PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) CPS; (2) Administrative and Information Technology; (3) Prevention Services; (4) Adult Protective Services; and (5) Statewide Intake Services.

**FIGURE 130**  
**DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES REGIONS, INCLUDING LOCATION OF REGIONAL HEADQUARTERS**  
**FISCAL YEAR 2021**



NOTE: Community-based Care regions are based on current Department of Family and Protective Services (DFPS) regions. Certain regions are divided further, designated by letters following the number. DFPS intends to establish additional divisions in regions 3, 6, 7, 8, and 11.  
 SOURCE: Department of Family and Protective Services.

**CHILD PROTECTIVE SERVICES**

The CPS program investigates reports of suspected abuse or neglect of children and takes action to protect abused and neglected children from further harm. Program staff also work with children and their families to help alleviate the effects of abuse. The CPS program provides direct protective services through six primary programs: CPS Direct Delivery Staff, CPS Program Support, CPS Purchased Services, Foster Care Payments, Adoption Subsidy/Permanency Care Assistance Payments, and Relative Caregiver Monetary Assistance Payments. In addition to the direct services, the

Office of CBC Transition within DFPS provides support and management for the implementation and oversight of CBC in Texas. Biennial funding totals \$4.1 billion in All Funds (\$2.3 billion in General Revenue Funds), shown by CPS program in **Figure 131**.

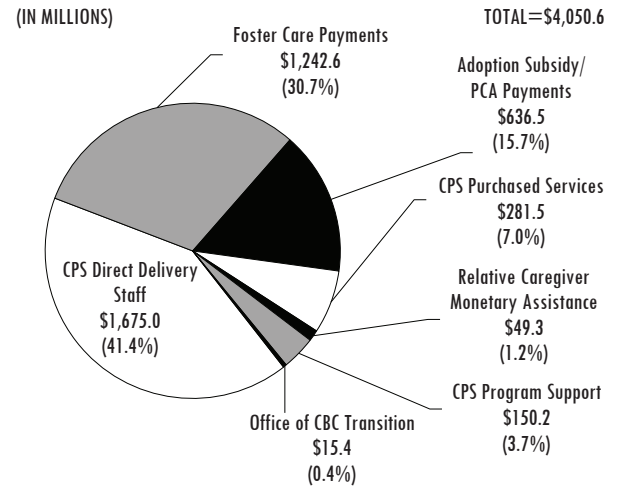
**CPS DIRECT DELIVERY STAFF**

The largest portion (41.4 percent) of CPS funding is provided for CPS Direct Delivery Staff. These staff provide services including investigating reports of suspected abuse or neglect; developing and implementing protective service plans;

placing children in temporary care or permanent homes; providing long-term casework; and serving families in crisis to help prevent the out-of-home placement of children. Funding for direct delivery staff also includes amounts transferred to SSCCs for CBC. Biennial funding totals \$1,675.0 million in All Funds (\$1,147.9 million in General Revenue Funds) and provides for 10,105.4 FTE positions in fiscal year 2022 and 9,865.4 FTE positions in fiscal year 2023. Funding represents a net increase of \$57.8 million in All Funds (\$301.4 million in General Revenue Funds) due to the following:

- an increase of \$46.1 million in All Funds (\$42.4 million in General Revenue Funds) to address orders of the foster care litigation, including conservatorship staff to remain within mandated caseload guidelines, residential childcare investigators, staff to collect and review investigation history, and staff to conduct heightened monitoring. Funding also provides for an additional 374.0 FTE positions in fiscal year 2022 and 423.0 FTE positions in fiscal year 2023;
- an increase of \$36.1 million in All Funds (\$33.9 million in General Revenue Funds) to support the expansion of CBC into Stage I in regions 3e, 9, 4, and 5, and into Stage II in regions 1 and 8b, and to provide child and adolescent needs and strengths assessments for all children in CBC regions. Stage I and Stage II funding includes start-up costs in each region, the cost of benefits included in resource transfers, and network support payments. Stage II also includes additional resource transfers. FTE positions were reduced by 223.0 in fiscal year 2022 and 512.0 in fiscal year 2023 for the CBC expansion, partially offset by the 438.0 FTE positions that were reinstated each fiscal year due to the cancellation of the CBC contract in Region 8a;
- an increase of \$12.5 million in Federal Funds for implementation of pilot programs and other services to comply with the FFPSA, and funding and 1.0 FTE position each fiscal year for a volunteer mentor position;
- an increase of \$6.7 million in All Funds (\$6.0 million in General Revenue Funds) to partially restore CPS travel funding;
- a decrease of \$9.9 million in All Funds (\$9.8 million in General Revenue Funds) to transfer funding and 73.0 FTE positions each fiscal year to the Statewide

**FIGURE 131  
CHILD PROTECTIVE SERVICES (CPS) APPROPRIATIONS  
BY PROGRAM, 2022–23 BIENNIUM**



NOTE: PCA=Permanency Care Assistance.  
SOURCE: Legislative Budget Board.

Intake Services program to align the funding and positions with the corresponding staff functions;

- a decrease of \$12.8 million in All Funds (\$11.6 million in General Revenue Funds) and 62.0 FTE positions each fiscal year to transfer to the new Office of CBC Transition;
- a decrease of \$13.9 million in All Funds (\$20.8 million in General Revenue Funds) to reflect the end of certain federal grants, including the Kinship Navigator grant, and various funding decisions such as the required 5.0 percent reduction, and removal of onetime CBC costs funded in the 2020–21 biennium; and
- a decrease of \$254.5 million in Federal Funds offset by an increase of \$254.5 million in General Revenue Funds for salaries related to the COVID-19 pandemic response.

Figure 132 shows the historical caseload for each caseworker type funded in CPS Direct Delivery from fiscal year 2018 to fiscal year 2023.

**CPS PROGRAM SUPPORT**

CPS Program Support provides support services such as program administration, contract management, staff training, federal funds eligibility determination, and administration of discretionary federal programs. Biennial

**FIGURE 132**  
**CHILD PROTECTIVE SERVICES CASELOAD PER CASEWORKER, FISCAL YEARS 2018 TO 2023**

CASEWORKER CLASSIFICATION	2018	2019	2020	2021	2022	2023
Conservatorship Caseworker	26.5	26.0	24.3	23.5	21.0	21.0
Family-based Safety Services Caseworker	11.4	10.5	11.3	9.3	11.0	11.0
Investigations Caseworker	13.3	13.5	12.6	13.6	13.0	13.0
Foster and Adoptive Home Development Caseworker	18.9	18.6	16.9	18.1	17.0	17.0
Kinship Caseworker	35.7	35.0	31.0	32.5	30.0	30.0

SOURCES: Legislative Budget Board; Department of Family and Protective Services.

funding totals \$150.2 million in All Funds (\$72.7 million in General Revenue Funds) and provides for 611.4 FTE positions each fiscal year. Funding represents a net increase of \$23.6 million in All Funds (\$6.5 million in General Revenue Funds), due to the following:

- an increase of \$31.7 million in All Funds (\$30.8 million in General Revenue Funds) and 83.0 FTE positions each fiscal year to address orders of the foster care litigation, including court monitor fees, support staff to maintain foster care litigation mandated caseload guidelines, staff to conduct heightened monitoring, and residential child-care investigations;
- an increase of \$18.9 million in Federal Funds for pilot programs and services to comply with FFPSA;
- an increase of \$1.5 million in All Funds (\$1.4 million in General Revenue Funds) and 6.0 FTE positions each fiscal year for CBC costs;
- an increase of \$0.5 million in All Funds (\$0.5 million in General Revenue Funds) to develop a new foster care rate methodology;
- an increase of \$0.1 million in All Funds (\$0.1 million in General Revenue Funds) for the Family Finding Collaboration program;
- a decrease of \$2.5 million in All Funds (\$2.1 million in General Revenue Funds) and 11.0 FTE positions in each fiscal year to be reallocated to the Office of CBC Transition;
- a decrease of \$11.2 million in All Funds (\$8.9 million in General Revenue Funds) and an increase of 21.0 FTE positions in fiscal year 2022, and a decrease of 4.2 FTE positions in fiscal year 2023 to align funding and FTE positions with appropriated levels and remove onetime funding; and

- a decrease of \$15.2 million in General Revenue Funds for the addition of a onetime capital project funded in fiscal year 2021 pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.

#### CPS PURCHASED SERVICES

CPS Purchased Services provides day care, adoption, post-adoption, preparation for adult living (PAL), substance abuse, and other purchased services for children and families. Biennial funding totals \$281.5 million in All Funds (\$114.9 million in General Revenue Funds). Funding in the 2022–23 biennium for most purchased client services, including adoption, post-adoption, and substance abuse, maintained 2020–21 biennial appropriated levels. Transfers into these purchased client services in fiscal year 2020 increased 2020–21 biennial spending levels above the appropriated level by \$15.2 million in General Revenue Funds. These increases were not maintained in the 2022–23 biennium.

Day Care services are purchased from the Texas Workforce Commission (TWC). TWC contracts with local workforce development boards that contract with local child-care management system agencies. TWC bills DFPS monthly for reimbursement of day care service cost plus an administrative fee. Biennial funding for day care totals \$121.8 million in All Funds (\$18.5 million in General Revenue Funds), an increase of \$47.4 million in All Funds (\$11.2 million in General Revenue Funds). The increase is due to projected growth in caseload, number of days per child, and the average daily cost of services impacted by rate increases implemented by TWC in October 2019 and October 2020.

Adoption Purchased Services provides contracted adoption services through child-placing agencies that recruit, train, and verify adoptive homes; handle adoptive placements; provide post-placement supervision; and facilitate consummation of adoptions. Biennial funding totals \$24.5 million in All Funds (\$15.7 million in General Revenue

Funds), a decrease of \$4.9 million in General Revenue Funds from 2020–21 biennial spending levels. The decrease in General Revenue Funds is due to fiscal year 2020 transfers and fiscal year 2021 supplemental funding that was not maintained in the 2022–23 biennium.

Post-adoption Purchased Services provides services to help families that adopt children in the care of DFPS to adjust to the adoption. Available services include casework, support groups, parent training, therapeutic counseling services, respite care, and residential therapeutic care. Biennial funding totals \$12.8 million in All Funds (\$8.0 million in General Revenue Funds) maintaining 2020–21 biennial appropriated levels.

PAL Purchased Services provides services to help youth in CPS substitute care prepare for their eventual departure from DFPS care and support. It also provides funding for post-secondary education and training programs. Biennial funding totals \$19.4 million in All Funds (\$2.3 million in General Revenue Funds). Funding represents an increase of \$0.1 million in General Revenue Funds to biennialize funding to fiscal year 2021 appropriated levels.

Substance Abuse Purchased Services provides services to address the parenting impairment caused by substance abuse. The services help prevent children from being removed from their homes or enable them to be reunited with their families more quickly. Biennial funding totals \$27.2 million in All Funds (\$26.7 million in General Revenue Funds). Funding reflects a decrease of \$12.7 million in General Revenue Funds associated with fiscal year 2020 transfers and fiscal year 2021 supplemental funding that was not maintained in the 2022–23 biennium.

Other CPS Purchased Services includes a range of therapeutic and supportive services for abused or neglected children and their families. The services include, but are not limited to, counseling, case management, skills training, and respite care. Biennial funding totals \$75.8 million in All Funds (\$43.8 million in General Revenue Funds), which is a decrease of \$13.9 million in General Revenue Funds. The funding decrease is associated with fiscal year 2020 transfers and fiscal year 2021 supplemental funding that was not maintained in the 2022–23 biennium, and the alignment of funding with fiscal year 2021 appropriated levels.

#### **FOSTER CARE PAYMENTS**

DFPS pays a daily rate for the care and maintenance of children who have been removed from their homes and

placed in foster homes or residential treatment facilities as a result of abuse or neglect allegations. Biennial funding for the foster care program, including CBC, totals \$1,242.6 million in All Funds (\$669.4 million in General Revenue Funds). Funding represents a net increase of \$126.2 million in All Funds (\$134.1 million in General Revenue Funds) primarily for the following purposes:

- an increase of \$124.8 million in All Funds (\$122.9 million in General Revenue Funds) for capacity building in the legacy and CBC foster care systems;
- an increase of \$21.9 million in General Revenue Funds for Temporary Emergency Placements;
- an increase of \$4.7 million in General Revenue Funds for increased network support payments due to CBC expansion;
- an increase of \$2.5 million in All Funds (\$12.3 million in General Revenue Funds) for provider payments for the Qualified Residential Treatment Program pilot, to provide a full biennium of payments to providers for 24-hour awake supervision, and increase in General Revenue Funds offset by an equal decrease in Federal Funds due to less favorable federal medical assistance percentages (FMAP) and the assumed loss of the 6.2 percentage-point increase in FMAP pursuant to the federal Families First Coronavirus Response Act; and
- a decrease of \$27.8 million in General Revenue to reflect supplemental appropriation adjustments made in fiscal year 2021 pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.

#### **ADOPTION SUBSIDY/PERMANENCY CARE ASSISTANCE PAYMENTS**

Adoption Subsidy payments are made to families that adopt children with disabilities, school-age children, minority children, and children in sibling groups. Permanency Care Assistance (PCA) Payments are provided to qualified relatives who assume permanent managing conservatorship of children leaving DFPS care. Funding is also provided for nonrecurring payments for families that incur certain expenses during the adoption or PCA process. Biennial funding for all programs totals \$636.5 million in All Funds (\$289.7 million in General Revenue Funds). Funding represents an increase of \$43.8 million in All Funds, primarily associated with projected growth in caseloads for both adoption subsidies and PCA. Additionally, an increase of \$18.9 million in General Revenue Funds was offset by an

equal decrease in Federal Funds due to less favorable FMAPs and the assumed loss of the 6.2 percentage-point increase in FMAP; and an increase of \$7.8 million in Federal Funds was offset by an equal decrease in General Revenue Funds due to increased federal Title IV-E eligibility for adoption subsidies.

#### **RELATIVE CAREGIVER MONETARY ASSISTANCE**

The Relative Caregiver Monetary Assistance program is a state program that assists income-eligible relatives and other designated caregivers who are not verified foster parents with meeting the needs of children placed in their care who are in the conservatorship of DFPS. Through this program DFPS is able to provide relatives and other designated caregivers that provide homes for children in DFPS managing conservatorship with payments to help defray the costs of care. Biennial funding for the Relative Caregiver Monetary Assistance program totals \$49.3 million in All Funds (\$31.9 million in General Revenue Funds). Funding represents an increase of \$19.2 million in All Funds (\$20.9 million in General Revenue Funds) primarily due to projected caseload growth.

#### **OFFICE OF CBC TRANSITION**

The Office of CBC Transition provides support and management for the implementation and oversight of CBC in Texas. The office was established in fiscal year 2022 pursuant to Senate Bill 1896, Eighty-seventh Legislature, Regular Session, 2021. Biennial funding provides \$15.4 million in All Funds (\$13.7 million in General Revenue Funds) and 73.0 FTE positions each fiscal year and consists of funding transferred from elsewhere in the agency.

#### **ADMINISTRATIVE AND INFORMATION TECHNOLOGY**

Administrative and IT programs provide indirect administration, IT-related program support, and funding for the agency's capital projects. Biennial funding totals \$238.7 million in All Funds, including \$147.0 million in General Revenue Funds. Funding represents a net decrease of \$2.0 million in All Funds, including \$3.8 million in General Revenue Funds and 59.0 FTE positions in fiscal year 2022 and 16.1 FTE positions in fiscal year 2023, due primarily to the following:

- an increase of \$6.6 million in All Funds (\$6.0 million in General Revenue Funds) and 24.0 FTE positions in fiscal year 2022 and 34.0 FTE positions in fiscal year 2023 to address orders of the foster care litigation,

including staff to conduct heightened monitoring, to perform case reads, and to perform residential child-care investigations;

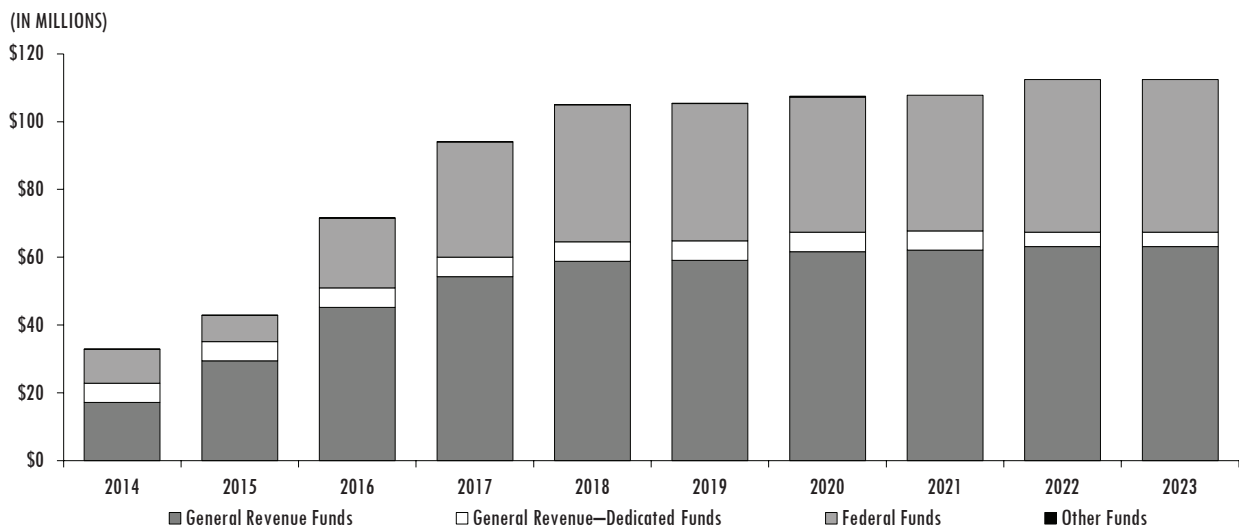
- an increase of \$2.2 million in All Funds (\$2.1 million in General Revenue Funds) to support the expansion of CBC into Stage I in regions 3e, 9, 4, 5 and Stage II in regions 1 and 8b;
- an increase of \$1.2 million in All Funds (\$1.4 million in General Revenue Funds) and a decrease of 16.0 FTE positions each fiscal year related to the transfer of the ombudsman function and certain Adult Protective Services functions to the Health and Human Services Commission, offset by an increase for costs related to the assessment and Centralized Accounting and Payroll/Personnel System services;
- a decrease of \$3.9 million in All Funds (\$5.9 million in General Revenue Funds) and an increase of 49.0 FTE positions in fiscal year 2022 and a decrease of 3.9 FTE positions in fiscal year 2023. Funding reflects reductions related to onetime funding for Senate Bill 781, Eighty-sixth Legislature, 2019, and savings for the laptop buyout, and various other adjustments to align the agency's administrative budget to funding decisions made for other programs in the agency's budget; and
- a decrease of \$8.2 million in All Funds (\$7.5 million in General Revenue Funds) to include supplemental appropriation adjustments made in fiscal year 2021 pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.

#### **PREVENTION AND EARLY INTERVENTION**

The Prevention and Early Intervention Program provides at-risk prevention services for children, youth, and their families through five programs: Services to At-risk Youth, Community Youth Development, child abuse prevention grants, maternal and child home visiting programs, and other at-risk prevention services. Contractual arrangements with community-based organizations deliver most of the services. At-risk prevention program support provides contract management and support services.

Appropriations for the 2022–23 biennium total \$224.9 million in All Funds (\$134.8 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 65.1 FTE positions each fiscal year. The General Revenue–Dedicated Funds are from

**FIGURE 133**  
**PREVENTION AND EARLY INTERVENTION FUNDING, FISCAL YEARS 2014 TO 2023**



SOURCE: Legislative Budget Board.

Account No. 5084, Child Abuse and Neglect Prevention Operating, which is financed by the Children’s Trust Fund. The Children’s Trust Fund receives a portion of each marriage license fee paid in the state. Federal Funds account for 40.0 percent of the appropriation for prevention and early intervention, and consist primarily of funding from the U.S. Social Security Act, Title IV-B, Subpart 2, Promoting Safe and Stable Families Program; the Maternal, Infant, and Early Childhood Home Visiting Grant Program; and from the Temporary Assistance for Needy Families block grant. **Figure 133** shows funding for prevention and early intervention services for fiscal years 2014 to 2023.

#### SERVICES TO AT-RISK YOUTH

The Services to At-risk Youth (STAR) program is intended to provide crisis intervention, temporary emergency shelter, and counseling services for young persons at risk of delinquent or criminal behavior. Each STAR contractor is charged with providing universal child abuse prevention services, ranging from local media campaigns to informational brochures and parenting classes. Biennial funding totals \$48.8 million in All Funds (\$41.8 million in General Revenue Funds). State funding for these services was maintained at 2020–21 biennial All Funds levels, but total funding includes a decrease of \$0.5 million in Federal Funds due to the end of the onetime Kinship Navigator Grant.

#### COMMUNITY YOUTH DEVELOPMENT

The Community Youth Development program provides grant awards that help targeted communities alleviate conditions in the family and the community that lead to juvenile crime. The program emphasizes approaches that support families and enhance positive youth development, such as conflict resolution and mentoring. Biennial funding totals \$17.8 million in All Funds (\$12.3 million in General Revenue Funds). Funding represents an increase of \$1.0 million in Federal Funds for these services due to the inclusion of a new federal grant in the 2022–23 biennium.

#### MATERNAL AND CHILD HOME VISITING PROGRAMS

The Maternal and Child Home Visiting area has two primary programs. The Nurse Family Partnership is a voluntary, evidence-based home visitation program that pairs registered nurses with low-income, first-time mothers to improve prenatal care and provide individual child development education and counseling. The Texas Home Visiting program’s mission is to provide evidence-based home visiting services in targeted communities across Texas to contribute to the development of a comprehensive early childhood system that promotes maternal, infant, and early childhood health, safety, and development. Biennial funding totals \$73.7 million in All Funds (\$8.9 million in General Revenue Funds). Funding represents an increase of \$7.5 million in All Funds and a decrease of \$0.2 million in General Revenue Funds. The increase in All Funds is due to

additional federal funds to develop services pursuant to the federal Family First Prevention Services Act and for expansion of the Nurse Family Partnership program, offset by a decrease in General Revenue Funds related to the agency's 5.0 percent reduction plan.

#### **CHILD ABUSE PREVENTION GRANTS**

Child abuse prevention grants provide funding for local partnerships that strengthen and support families and for community-based, child abuse prevention services. Biennial funding totals \$9.1 million in All Funds and provides for 2.0 FTE positions each fiscal year. Funding represents an increase of \$1.5 million in Federal Funds to reflect anticipated Community-based Child Abuse Prevention federal grant amounts.

#### **OTHER AT-RISK PREVENTION SERVICES**

DFPS provides other at-risk prevention services, including through the Community-based Family Services program, Healthy Outcomes through Prevention and Early Support (HOPES), Project Helping through Intervention and Prevention, Universal Prevention Services, Statewide Youth Services Network, and Texas Families: Together and Safe. DFPS also provides prevention services for veterans and military families and safe-baby campaigns to address shaken-baby and safe-sleep risk factors. These prevention programs seek to strengthen families and increase youth resiliency through local collaborations. Biennial funding for all services totals \$60.3 million in General Revenue and General Revenue–Dedicated Funds and includes funding for 6.0 FTE positions each fiscal year. Funding represents a decrease of \$0.1 million in General Revenue Funds due to the agency's 5.0 percent reduction plan.

#### **AT-RISK PREVENTION PROGRAM SUPPORT**

At-risk prevention program support provides staff services such as provider training, contract management, and the management of client data. In addition to these support functions, funding also provides for the Texas Runaway Hotline and the Texas Youth Hotline. Biennial funding totals \$15.1 million in All Funds (\$11.4 million in General Revenue Funds) and provides for 57.1 FTE positions each fiscal year. Funding represents a decrease of \$0.3 million in All Funds due to the end of an Interagency Contract with the Texas Education Agency because the federal Every Student Succeeds Act Preschool Development grant is not anticipated to continue.

#### **ADULT PROTECTIVE SERVICES**

Adult Protective Services (APS) programs investigate reports of abuse, neglect, and exploitation to protect adults with disabilities who are age 18 or older and any adults age 65 or older living in their homes. These services are provided in three ways: APS Direct Delivery Staff, APS Program Support, and APS Purchased Emergency Client Services. Biennial funding for these services totals \$139.5 million in All Funds (\$91.8 million in General Revenue Funds).

#### **APS DIRECT DELIVERY STAFF**

APS Direct Delivery Staff provides protective services for individuals living at home. The services include investigating reports of abuse, neglect, or exploitation; providing or arranging for services to remedy or prevent further abuse; and purchasing services to meet short-term client needs. Biennial funding for direct delivery totals \$112.3 million in All Funds (\$82.6 million in General Revenue Funds) and provides for 802.8 FTE positions each fiscal year. Funding represents an increase of \$0.1 million in All Funds (\$16.9 million in General Revenue Funds) primarily for the following:

- \$16.7 million in General Revenue Funds for salaries related to the COVID-19 pandemic response offset by a decrease of the same amount in Federal Funds; and
- \$0.2 million in General Revenue Funds to maintain fiscal year 2021 funding into fiscal year 2022 and to adjust for the agency's 5.0 percent reduction plan.

#### **APS PROGRAM SUPPORT**

APS program support provides direct support and management of APS Direct Delivery Staff. Functions include developing and maintaining policies, legal and IT support, and program training. Biennial appropriations total \$8.4 million in All Funds (\$4.3 million in General Revenue Funds) and provide for 46.0 FTE positions each fiscal year. Funding represents a decrease of \$0.6 million in General Revenue Funds, primarily to align funding for personnel costs with actual FTE positions.

#### **APS PURCHASED EMERGENCY CLIENT SERVICES**

APS Purchased Emergency Client Services provides emergency purchased client services for clients in confirmed cases of abuse, neglect, or exploitation. These services are purchased when an APS caseworker determines that resources in the community cannot meet



the client's needs. Emergency client services include emergency shelter, food, medications, adaptive equipment, minor home repairs, restoration of utilities, rent, short-term medical or mental health services, and transportation. Biennial funding totals \$18.8 million in All Funds (\$4.9 million in General Revenue Funds). Funding represents a decrease of \$0.3 million in Federal Funds to align with anticipated award amounts.

### **STATEWIDE INTAKE SERVICES**

Statewide Intake Services includes funding for the statewide centralized intake center. The center receives, assesses, prioritizes, and routes reports of abuse, neglect, and exploitation of children, elder adults, and individuals with disabilities. It also provides 24-hour expedited background checks for CPS caseworkers and information and referral services.

Appropriations for Statewide Intake Services for the 2022–23 biennium total \$60.1 million in All Funds (\$33.9 million in General Revenue Funds) and provide for 494.8 FTE positions each fiscal year. Funding represents an increase of \$9.8 million in All Funds (\$9.6 million in General Revenue Funds) including \$9.9 million in All Funds (\$9.8 million in General Revenue Funds) and 73.0 FTE positions each fiscal year from the CPS program to align funding with staff functions, and \$0.8 million in General Revenue and 5.0 FTE positions for heightened monitoring, offset by a decrease of \$1.0 million in General Revenue Funds for the agency's 5.0 percent reduction plan and fiscal year 2021 supplemental transfers.

### **SIGNIFICANT LEGISLATION**

**House Bill 2 – Supplemental appropriations and reductions in appropriations.** The legislation increased the appropriation authority of DFPS by \$7.0 million in All Funds, including \$6.3 million in General Revenue Funds in fiscal year 2021. Appropriation authority for fiscal year 2021 includes \$168.5 million in Federal Funds for salaries related to the COVID-19 pandemic response, offset by a reduction of \$168.5 million in General Revenue Funds. In addition, the legislation directs the transfers of funding between strategies, which includes \$20.6 million in General Revenue Funds for foster care payments, \$18.5 million in General Revenue Funds to various strategies to address the foster care litigation, and \$15.9 million in General Revenue Funds to various purchased client service strategies to meet projected needs.

**House Bill 3041 – Providing services as an alternative to removing a child.** The legislation requires DFPS to establish a pilot program to allow the agency to dispose of an investigation by referring the family of a foster care candidate to family preservation services and allowing the child to return home instead of entering the foster care system. The legislation also requires DFPS to submit reports to the Legislature on the progress of the pilot. Funding is appropriated in a contingency rider in the DFPS bill pattern in the General Appropriations Act, 2022–23 Biennium.

**House Bill 5, Second Called Session – Supplemental appropriations and giving direction regarding appropriations.** The legislation increased the appropriations authority of DFPS by \$90.0 million in General Revenue Funds in fiscal years 2022 and 2023 to increase capacity in the foster care system through supplemental payments and targeted foster care capacity grants.

**Senate Bill 910 – Study of options for implementing family preservation services, the provision of other health and human services by certain stage agency contractors, and the repeal of a prior pilot program for family-based safety services.** The legislation requires DFPS to develop a list of options to implement family preservation services in existing catchment areas and to submit a report on the options to the Legislature. The legislation also no longer requires DFPS to contract for a family-based safety services pilot program and no longer requires performance measures for the pilot program.

**Senate Bill 1896 – Provision of health and human services by DFPS and the Health and Human Services Commission.** The legislation requires DFPS to develop a plan to eliminate use of paper case files, establish a pilot program to use telehealth services, and transition to evidence-based programs under the FFPSA. The legislation also prohibits DFPS from allowing children to stay overnight in DFPS offices. Appropriations of \$21.9 million in General Revenue Funds and \$1.3 million in Federal Funds are provided through an Article IX contingency rider.

## DEPARTMENT OF STATE HEALTH SERVICES

**PURPOSE:** To improve the health, safety, and well-being of Texans through good stewardship of public resources and a focus on core public health functions.

**ESTABLISHED:** 2004

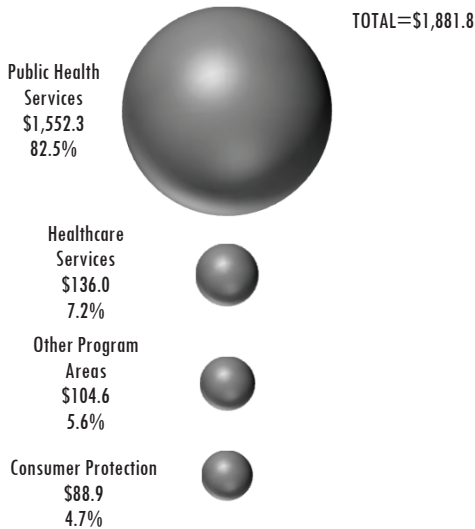
**AUTHORIZING STATUTE:** The Texas Health and Safety Code, Chapter 1001

**GOVERNANCE:** Department of State Health Services Commissioner, appointed by the Health and Human Services Executive Commissioner, with the approval of the Governor

**FIGURE 134**  
**DEPARTMENT OF STATE HEALTH SERVICES BY METHOD OF FINANCE**

(IN MILLIONS)					
METHOD OF FINANCE	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	APPROPRIATED FULL-TIME- EQUIVALENT POSITIONS
General Revenue Funds	\$546.0	\$532.3	(\$13.7)	(2.5%)	<b>2022</b> 3,365.6  <b>2023</b> 3,301.3
General Revenue–Dedicated Funds	\$309.8	\$335.9	\$26.2	8.4%	
Federal Funds	\$4,609.8	\$778.6	(\$3,831.2)	(83.1%)	
Other Funds	\$243.2	\$235.0	(\$8.2)	(3.4%)	
<b>Total, All Methods of Finance</b>	<b>\$5,708.8</b>	<b>\$1,881.8</b>	<b>(\$3,827.0)</b>	<b>(67.0%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

In addition to amounts appropriated amounts, the agency is appropriated \$2.1 billion from the **federal American Rescue Plan Act** for COVID-19 pandemic surge response, emergency medical services, the Federally Qualified Health Center Incubator Program, and lab support.

Appropriations include an increase of \$31.4 million in General Revenue Funds for the **Texas HIV Medication Program** to address increasing costs, maintain services, and to offset onetime Federal Funds related to the COVID-19 pandemic granted in the 2020–21 biennium.

Appropriations include \$16.4 million in General Revenue Funds for **ambulance services** at the Texas–Mexico border pursuant to House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021.

Appropriations include a decrease of \$4.0 billion in **onetime Federal Funds** related to the **COVID-19 pandemic** in the 2020–21 biennium, partially offset by an increase of \$126.8 million in funding related to the pandemic for the Epidemiology and Lab Capacity for Infectious Diseases program.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, increased appropriation authority of the Department of State Health Services (DSHS) in fiscal year 2021 by \$21.1 million in All Funds, including an increase of \$9.3 million in General Revenue Funds and General Revenue–Dedicated Funds, for customer service efficiency and data center services Information Technology (IT) projects. In addition, appropriations for DSHS in the 2020–21 biennium include a onetime method-of-finance adjustment of \$44.6 million from General Revenue Funds and General Revenue–Dedicated Funds to federal pandemic-related stimulus funds for salaries and benefits related to the COVID-19 pandemic response.

Federal Funds received by DSHS related to the agency response to the COVID-19 pandemic total \$4.0 billion in the 2020–21 biennium and \$126.8 million in the 2022–23 biennium, accounting for a \$3.9 billion decrease in funding across the two biennia. **Figure 135** shows the total funding related to the pandemic appropriated to DSHS in each biennium by program area.

DSHS received an additional appropriation of \$2.1 billion through the federal Coronavirus State Fiscal Recovery Fund in fiscal year 2022 pursuant to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021. This funding is provided in the Eighty-seventh Legislature, General Appropriations Act, Article XII, and is not included in the amounts shown in **Figure 134**.

Funding for DSHS totals \$1.9 billion in All Funds, including \$0.9 billion in General Revenue Funds and General Revenue–Dedicated Funds, for the 2022–23 biennium, which represents a decrease of \$3.8 billion in All Funds from the 2020–21 biennium. The net decrease includes the following significant changes:

- a decrease of \$13.7 million in General Revenue Funds, primarily due to a decrease of \$21.7 million related to the required agencywide 5.0 percent reduction, including \$6.0 million for the Medical Child Abuse Resources and Education System (MedCARES), \$4.6 million in administrative support services payments that DSHS makes to the Health and Human Services Commission, and \$4.0 million to remove the zoster (shingles) vaccine from the formulary for adult immunization; \$32.0 million for method-of-finance adjustments with General Revenue–Dedicated and Other Funds to utilize projected account balances;

**FIGURE 135**  
**FUNDING RELATED TO THE COVID-19 PANDEMIC**  
**FISCAL YEARS 2020 TO 2023**

IN MILLIONS)		
PROGRAM AREA	2020–21	2022–23 (1)
Public Health Services	\$3,950.7	\$123.3
Healthcare Services	\$0.7	\$0.0
Consumer Protection Services	\$11.6	\$0.0
Other Program Areas	\$28.0	\$3.5
<b>Total</b>	<b>\$3,991.0</b>	<b>\$126.8</b>

NOTE: (1) Appropriations of \$2.1 billion from Coronavirus State Fiscal Recovery Funds in fiscal year 2022, authorized by Senate Bill 8, Eighty-seventh Legislature, Third Called Session, are included in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium, Article XII.

SOURCE: Department of State Health Services.

and \$23.9 million for onetime projects completed in the 2020–21 biennium; partially offset by increases of \$31.4 million for the Texas HIV Medication program and \$30.9 million related to the onetime method-of-finance adjustments made in the 2020–21 biennium to fund salaries through federal pandemic-related stimulus funds;

- an increase of \$26.2 million in General Revenue–Dedicated Funds primarily due to a \$13.7 million increase related to onetime method-of-finance adjustments made in the 2020–21 biennium to fund salaries through federal pandemic-related stimulus funds; \$9.7 million for method-of-finance adjustments with General Revenue Funds to utilize projected account balances; and \$2.9 million for food safety licensure, inspection, and enforcement activities; partially offset by the required agencywide 5.0 percent reduction;
- a decrease of \$3.8 billion in Federal Funds, primarily due to a \$3.9 billion decrease in onetime funding granted to the agency in the 2020–21 biennium to respond to the COVID-19 pandemic; and
- a decrease of \$8.2 million in Other Funds, primarily due to decreases of \$17.0 million in supplemental funding provided in the 2020–21 biennium from the Economic Stabilization Fund for improving trauma capacity and response infrastructure; \$12.0 million for the purchase of a generator for laboratory services; \$2.5 million related to anticipated levels of HIV Vendor Drug Rebates and Appropriated Receipts;

offset by an increase of \$24.1 million related to anticipated Public Health Medicaid Reimbursements.

## PROGRAMS

The agency carries out its responsibilities through four major program areas: (1) public health services; (2) healthcare services; (3) consumer protection services; and (4) other program areas, primarily administration and information technology.

### PUBLIC HEALTH SERVICES

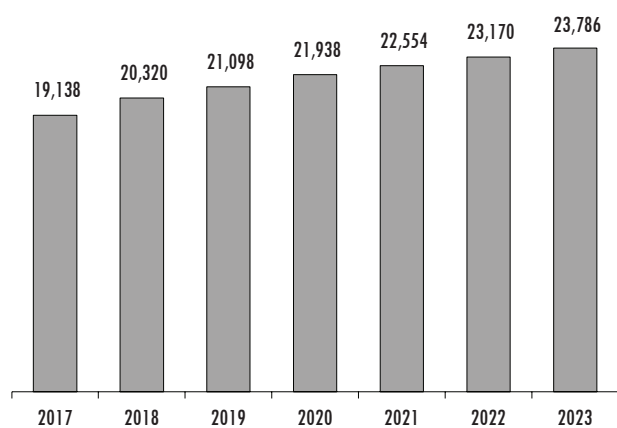
DSHS provides a variety of public health services, including HIV/STD prevention, immunizations, emergency medical services and trauma care systems, infectious disease control, and emergency preparedness. Biennial appropriations for public health services total \$1.6 billion, which includes \$666.8 million in General Revenue Funds and General Revenue–Dedicated Funds.

#### HIV/STD PREVENTION

The HIV/STD Prevention program includes interventions to prevent and reduce the spread of sexually transmitted diseases (STD), which include the human immunodeficiency virus (HIV), syphilis, chlamydia, and gonorrhea. Interventions include HIV and STD screening and testing; evidence-based prevention programs for individuals, groups, and communities; and partner services and referrals. Funding also supports local providers that offer outpatient medical services, medical case management, and other medical and supportive services to persons living with HIV/AIDS. In addition, DSHS operates the HIV Medication Program, which provides medications to low-income Texans who live with HIV or AIDS. **Figure 136** shows the number of clients served in the HIV Medication Program for fiscal years 2017 to 2023.

Biennial appropriations for HIV/STD Prevention total \$477.0 million in All Funds (\$131.4 million in General Revenue Funds) and provide for 230.1 full-time-equivalent (FTE) positions in each fiscal year. Appropriations represent a decrease of \$1.5 million in All Funds and an increase of \$31.5 million in General Revenue Funds from the 2020–21 biennium. The decrease in All Funds is primarily due to onetime federal funding granted to address the COVID-19 pandemic in the 2020–21 biennium and an anticipated decrease in HIV Vendor Drug Rebates, offset by an increase in General Revenue Funds of \$31.4 million to maintain services in the Texas HIV Medication program.

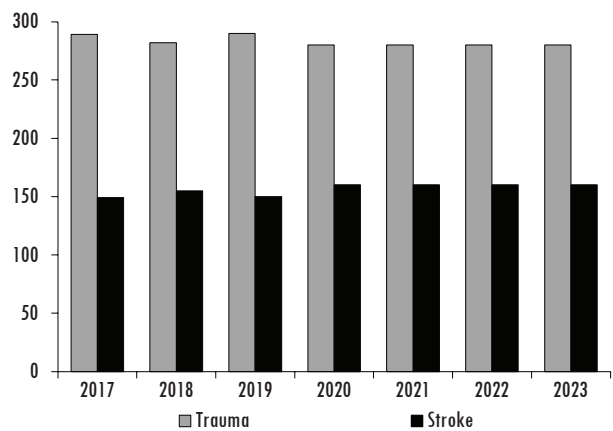
**FIGURE 136**  
CLIENTS PROVIDED SERVICES IN TEXAS HIV MEDICATION PROGRAM, FISCAL YEARS 2017 TO 2023



NOTE: Targets for fiscal years 2022 and 2023 are established in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium.

SOURCE: Department of State Health Services.

**FIGURE 137**  
TEXAS DESIGNATED TRAUMA AND STROKE FACILITIES FISCAL YEARS 2017 TO 2023



NOTE: Targets for fiscal years 2022 and 2023 are established in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium.

SOURCE: Department of State Health Services.

#### EMS AND TRAUMA CARE SYSTEMS

Emergency health programs include regional emergency medical services (EMS) and trauma systems development; stroke facilities and neonatal facilities; regulation of EMS providers; development and maintenance of a trauma reporting and analysis system; and assurance of coordination and cooperation with neighboring states. **Figure 137** shows the number of designated trauma and stroke facilities in Texas for fiscal years 2017 to 2023.

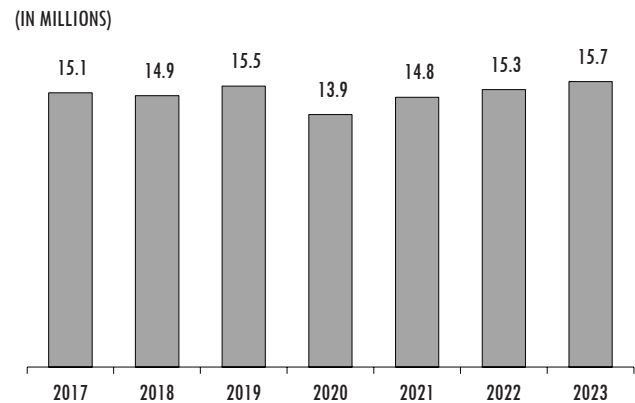
Biennial appropriations total \$247.3 million in All Funds, which consist entirely of General Revenue Funds and General Revenue–Dedicated Funds and provide for 59.7 FTE positions in each fiscal year. Appropriations include \$225.6 million from General Revenue–Dedicated Account No. 5111, Designated Trauma Facility and EMS, used primarily to reimburse hospitals for uncompensated trauma care. Of this amount, \$99.9 million from Account No. 5111 is required to be transferred to the Health and Human Services Commission (HHSC) each fiscal year of the 2022–23 biennium to fund the state share of certain Medicaid hospital payments.

Appropriations represent a decrease of \$22.3 million in All Funds from the 2020–21 biennium, primarily due to a decrease of \$17.0 million from the Economic Stabilization Fund provided in fiscal year 2019 by Senate Bill 500, Eighty-sixth Legislature, 2019. The supplemental appropriation was provided for a two-year period to increase trauma capacity and improve trauma-related response infrastructure and was expended in the 2020–21 biennium. Additionally, Federal Funds decreased due to onetime federal funding related to the COVID-19 pandemic received during the 2020–21 biennium, and General Revenue Funds and General Revenue–Dedicated Funds decreased due to the required agencywide 5.0 percent reduction obligation, and to align with anticipated fund balances.

#### IMMUNIZE CHILDREN AND ADULTS

The agency provides immunization services to prevent, control, reduce, and eliminate vaccine-preventable diseases in children and adults, with emphasis on children younger than 36 months. DSHS also manages the state immunization registry. Biennial appropriations total \$174.1 million in All Funds (\$60.3 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 240.4 FTE positions in each fiscal year. Appropriations represent a decrease of \$68.3 million in All Funds from the 2020–21 biennium. This decrease is due primarily to a projected decrease of \$68.6 million in Federal Funds consisting of a reduction of \$82.7 million in onetime grant funding related to the COVID-19 pandemic in the 2020–21 biennium, offset by additional immunization grant funding projected for the 2022–23 biennium. Funding also includes a decrease of \$4.4 million in General Revenue Funds due to the required agencywide 5.0 percent reduction related to removal of the shingles vaccine from the formulary for adult immunization and reduction of rabies biologicals distribution. **Figure 138** shows the number of vaccine doses administered to children for fiscal years 2017 to 2023.

**FIGURE 138**  
**VACCINE DOSES ADMINISTERED TO TEXAS CHILDREN**  
**FISCAL YEARS 2017 TO 2023**



NOTE: Targets for fiscal years 2022 and 2023 are established in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium.

SOURCE: Department of State Health Services.

#### PUBLIC HEALTH PREPAREDNESS AND COORDINATED SERVICES

DSHS coordinates state public health and healthcare systems' preparedness programs and response activities. This coordination includes providing oversight and management of the Public Health Emergency Preparedness program and the Hospital Preparedness Program. DSHS also provides public health services to communities where local health departments do not exist or that do not have the capacity to provide them. DSHS provides funding to public health regions for disease prevention, syndromic surveillance, disaster response, and protection against environmental hazards. Biennial appropriations total \$168.0 million in All Funds (\$49.9 million in General Revenue Funds) and provide for 274.2 FTE positions in each fiscal year. Appropriations represent a net decrease of \$3.5 billion in All Funds from the 2020–21 biennium, primarily due to a \$3.5 billion decrease in Federal Funds for onetime funding provided in the 2020–21 biennium to respond to the COVID-19 pandemic, partially offset by an increase of \$16.4 million in General Revenue Funds for ambulance services at the Texas border and \$5.0 million in General Revenue Funds for the Emergency Medical Task Force.

#### LABORATORY SERVICES

The state's public health laboratory conducts analysis of human, animal, and environmental samples; responds to biological and chemical threats; and provides professional consultation. Biennial appropriations total \$118.7 million in

All Funds (\$43.4 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 351.7 FTE positions each fiscal year.

Appropriations represent a net decrease of \$31.4 million in All Funds from the 2020–21 biennium, which includes a decrease of \$42.4 million in General Revenue Funds and \$9.6 million in Federal Funds, partially offset by an increase of \$8.3 million in General Revenue–Dedicated Funds and \$12.2 million in Other Funds. The decrease in General Revenue Funds is primarily related to onetime funding during the 2020–21 biennium for laboratory repair and renovation, information technology (IT) system upgrades, laboratory equipment, and related onetime operating costs; and a method-of-finance change from General Revenue Funds to General Revenue–Dedicated Funds. The decrease in Federal Funds is primarily due to onetime funds granted during the 2020–21 biennium to respond to the COVID-19 pandemic.

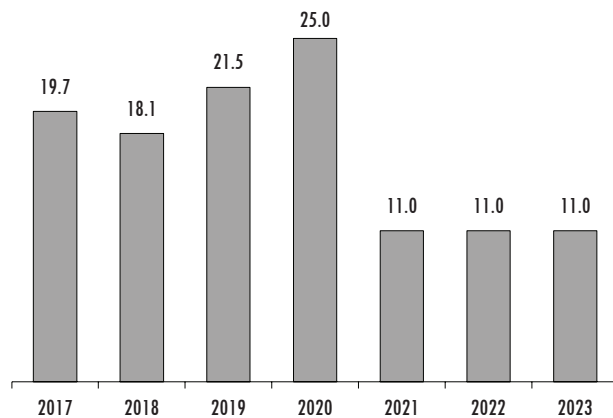
#### TUBERCULOSIS SURVEILLANCE AND PREVENTION

The tuberculosis (TB) program at DSHS conducts a number of activities to control and prevent TB in Texas. The program provides funding to local health departments to provide TB screening; provides technical assistance to correctional facilities in establishing TB control plans and dealing with cases of TB; tracks confirmed cases of drug-resistant TB throughout treatment; and maintains a genotyping database. Biennial appropriations total \$67.7 million in All Funds (\$49.9 million in General Revenue Funds) and provide for 132.9 FTE positions each fiscal year. Appropriations represent a net increase of \$0.5 million in All Funds, including a General Revenue Funds increase of \$3.6 million primarily related to a onetime method-of-finance adjustment for salaries during the 2020–21 biennium.

#### INFECTIOUS DISEASE PREVENTION, EPIDEMIOLOGY, AND SURVEILLANCE

DSHS implements programs to prevent, control, and treat infectious diseases, including hepatitis and Hansen’s disease (leprosy), and to minimize the incidence of diseases transmittable from animals to humans (zoonotic diseases). Biennial appropriations for infectious disease prevention, epidemiology, and surveillance total \$152.7 million in All Funds (\$20.7 million in General Revenue Funds). Appropriations represent a net decrease of \$172.9 million in All Funds due to a decrease of \$170.9 million in Federal Funds, primarily for onetime federal funding to respond to the COVID-19 pandemic, and \$2.0 million in General Revenue Funds largely due to onetime funding in the

**FIGURE 139**  
**AVERAGE NUMBER OF DAYS TO CERTIFY TEXAS VITAL RECORDS, FISCAL YEARS 2017 TO 2023**



NOTE: Targets for fiscal years 2022 and 2023 are established in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium.

SOURCE: Department of State Health Services.

2020–21 biennium for an upgrade to the National Electronic Disease Surveillance system. Appropriations provide for 163.0 FTE positions in fiscal year 2022 and 121.0 FTE positions in fiscal year 2023. This is a decrease from 222.0 FTE positions in fiscal year 2021 due to additional positions hired in this program to address the COVID-19 pandemic.

#### VITAL STATISTICS

The Vital Statistics Unit (VSU) of DSHS maintains the state’s vital records system, which includes original birth and death records, applications for marriage licenses, and reports of divorces and annulments. Additionally, VSU maintains a paternity registry and voluntary adoption registry. Biennial appropriations for vital statistics activities total \$34.1 million in All Funds, including \$8.1 million in General Revenue–Dedicated Funds, and provide for 190.5 FTE positions each fiscal year. Funding includes a decrease of \$3.1 million in General Revenue Funds and General Revenue–Dedicated Funds and 9.0 FTE positions in fiscal year 2022, primarily related to onetime funding for additional employees provided in fiscal year 2020 and for other salary and personnel adjustments. **Figure 139** shows the average number of days to certify vital records from fiscal years 2017 to 2023.

#### HEALTH REGISTRIES

The agency conducts disease surveillance, investigates unusual occurrences of disease, assesses environmental exposures, and conducts population research studies using

a number of health registries. These registries track conditions such as birth defects, cancer, and elevated blood lead levels, among others. Biennial appropriations total \$20.8 million in All Funds (\$8.4 million in General Revenue Funds) and provide for 153.4 FTE positions in each fiscal year. Appropriations represent an All Funds decrease of \$0.7 million, including a General Revenue Funds increase of \$0.6 million. The General Revenue Funds increase is due to onetime method-of-finance adjustments in the 2020–21 biennium to fund salaries from federal pandemic-related stimulus funds. Additional decreases in Federal Funds are related to onetime federal funding to address the COVID-19 pandemic provided during the 2020–21 biennium.

#### **TEXAS CENTER FOR INFECTIOUS DISEASE**

The Texas Center for Infectious Disease (TCID) is a public health facility for the treatment of TB. The center provides medical care, conducts research, and provides professional education to healthcare providers who treat patients with TB and other infectious diseases. TCID also operates as an outpatient clinic for patients with Hansen’s disease. Biennial appropriations total \$30.3 million in All Funds (\$23.1 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 160.5 FTE positions in each fiscal year. Funding is maintained at the 2020–21 biennial spending level.

#### **REDUCE USE OF TOBACCO PRODUCTS**

DSHS conducts comprehensive tobacco prevention and control activities at various levels throughout the state, including community mobilization, tobacco use prevention education in schools and communities, and cessation activities through education and a statewide telephone counseling service. Appropriations for these activities total \$18.5 million in All Funds (\$8.0 million in General Revenue Funds) and provide for 14.3 FTE positions in each fiscal year.

#### **HEALTH PROMOTION AND CHRONIC DISEASE PREVENTION**

DSHS implements population-based and community-based interventions to reduce the burden of the most common chronic diseases, including cardiovascular disease, stroke, diabetes, asthma, arthritis, and certain cancers. DSHS works with public and private partners to increase local capacity for chronic disease prevention programs, which support healthy behaviors such as maintaining a

healthy weight, good nutrition, physical activity, and preventive healthcare. DSHS collaborates with school districts to implement coordinated school health programs and operates the Safe Rider program that promotes the correct use of child safety seats. Biennial appropriations for health promotion and chronic disease prevention total \$28.0 million in All Funds (\$7.7 million in General Revenue Funds) and provide for 49.8 FTE positions in each fiscal year. Appropriations represent an All Funds decrease of \$3.4 million primarily related to the required agencywide 5.0 percent General Revenue Funds reduction and a decrease in anticipated federal funding levels.

#### **HEALTH DATA AND STATISTICS**

DSHS is responsible for collecting, storing, analyzing, and disseminating health data and information to improve public health. The agency achieves this goal by operating the Center for Health Statistics (CHS). CHS conducts research on public health issues and health disparities in Texas; collects and reports on healthcare activity in hospitals and health maintenance organizations operating in Texas through the Texas Health Care Information Collection; collects, analyzes, and disseminates information regarding health and healthcare providers, which includes operating the Health Professions Resource Center and the Texas Center for Nursing Workforce Studies; and provides library and information services, including a medical and research library, an audiovisual library, and a funding information center. Biennial appropriations for health data and statistics total \$10.7 million in All Funds (\$6.3 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 37.0 FTE positions in each fiscal year.

#### **BORDER HEALTH AND COLONIAS**

DSHS operates the state’s Office of Border Public Health (OBPH). OBPH coordinates and promotes health issues between Texas and Mexico. Biennial appropriations for border health and colonias total \$4.4 million in All Funds, including \$2.4 million in General Revenue Funds, and provide for 17.4 FTE positions each fiscal year.

#### **HEALTHCARE SERVICES**

Healthcare services include a number of programs, including services for children with special healthcare needs, initiatives promoting maternal and child health, and operation of the Texas Primary Care Office. Biennial appropriations total \$136.0 million in All Funds (\$45.3 million in General Revenue Funds and General Revenue–Dedicated Funds).

**MATERNAL AND CHILD HEALTH SERVICES**

The agency develops, implements, and promotes maternal and child public health initiatives intended to improve health outcomes for federally identified Social Security Act, Title V, populations in Texas. Initiatives are implemented through research and surveillance, promotion of best practices, statewide public health collaboration efforts, and strengthening of the public health infrastructure, while meeting specified national and state performance measures. DSHS also serves as a connection between direct care services provided by the Medicaid Texas Health Steps program at HHSC and other health and social services programs. Additionally, the agency facilitates collaboration and education, serves as information conduits for public health messaging at the local level, and provides administrative support to the Maternal Mortality and Morbidity Review Committee.

Biennial appropriations for maternal and child health services total \$111.0 million in All Funds (\$33.6 million in General Revenue Funds) and provide for 409.4 FTE positions in fiscal year 2022 and 388.8 FTE positions in fiscal year 2023. The decrease in FTE positions is pursuant to House Bill 133, Eighty-seventh Legislature, Regular Session, 2021, which transitions case management of the children and pregnant women program to HHSC. Appropriations represent a decrease of \$6.8 million in All Funds, primarily attributable to a decrease of \$6.7 million in General Revenue Funds related to the required agencywide five percent reduction, including \$6.0 million in General Revenue Funds for MedCARES and \$1.0 million in General Revenue Funds to reduce school-based contracts.

**CHILDREN WITH SPECIAL HEALTH CARE NEEDS**

The Children with Special Health Care Needs (CSHCN) program provides medical, dental, and case-management services that are not covered by Medicaid, the Children's Health Insurance Program, or private insurance for children with special healthcare needs. The program also provides family support services (FSS) to eligible clients, including respite care, vehicle and home modifications, and special equipment and family supports and community resources (FSCR), which are population health initiatives available to the general CSHCN population. HHSC provides the medical, dental, and FSS portion of the CSHCN program and DSHS provides case management and FSCR services. Biennial appropriations for case management and FSCR services total \$23.2 million in All Funds, including \$10.9

million in General Revenue Funds, and provide for 88.0 FTE positions each fiscal year. Appropriations represent an All Funds decrease of \$1.1 million, which is primarily related to anticipated Maternal and Child Health Services Block Grant to the States funding level in the 2022–23 biennium.

**TEXAS PRIMARY CARE OFFICE**

DSHS operates the Texas Primary Care Office (TPCO), which assesses needs for the underserved, designates parts of the state as health professional shortage areas or as medically underserved, recruits and retains providers to work in these areas, and works with communities to improve access to primary medical, dental, and mental healthcare. Biennial appropriations for TPCO total \$1.8 million in All Funds (\$0.8 million in General Revenue–Dedicated Funds) and provide for 6.1 FTE positions in each fiscal year. Appropriations represent a \$1.6 million decrease in All Funds primarily related to the required agencywide 5.0 percent reduction.

**CONSUMER PROTECTION SERVICES**

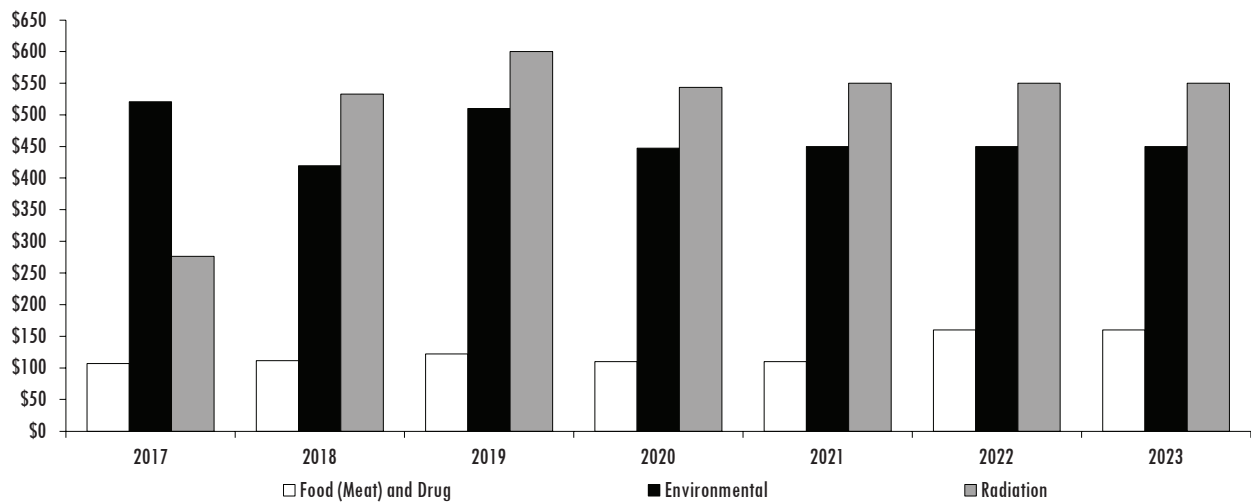
Consumer protection services include public health efforts related to ensuring food and drug safety, minimizing environmental hazards, and regulating activities related to radiation. Funding for consumer protection is generated largely through fee revenue deposited to the General Revenue Fund or to specific General Revenue–Dedicated accounts. Biennial appropriations for consumer protection services total \$88.9 million in All Funds (\$75.5 million in General Revenue Funds and General Revenue–Dedicated Funds). **Figure 140** shows the average cost of food (meat) and drug, environmental, and radiation surveillance activities for fiscal years 2017 to 2023.

**FOOD (MEAT) AND DRUG SAFETY**

Food, meat, and drug safety activities include inspecting and monitoring foods, drugs, medical devices, cosmetics, shellfish-growing areas and processing plants, facilities that produce milk and milk products, and certain public-school cafeterias. In addition, the agency inspects retail food establishments in counties that have no local health authority. DSHS is also responsible for ensuring that all meat and poultry processed in Texas for consumption is derived from healthy animals, is slaughtered and prepared in a sanitary manner, has no harmful ingredients added, and is packaged and labeled truthfully. Food, meat, and drug safety appropriations total \$57.2 million in All Funds for the 2022–23 biennium (\$46.9 million in General Revenue



**FIGURE 140**  
**AVERAGE COST PER CONSUMER PROTECTION SURVEILLANCE ACTIVITY, FISCAL YEARS 2017 TO 2023**



NOTE: Targets for fiscal years 2022 and 2023 are established in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium.  
 SOURCE: Department of State Health Services.

Funds and General Revenue–Dedicated Funds) and provide for 377.0 FTE positions in fiscal year 2022 and 375.3 FTE positions in fiscal year 2023.

Appropriations represent an All Funds increase of \$3.1 million, and a General Revenue Funds and General Revenue–Dedicated Funds increase of \$10.1 million from the 2020–21 biennium. The increase in General Revenue Funds and General Revenue–Dedicated Funds is due primarily to onetime adjustments made for the 2020–21 biennium to fund salaries from federal COVID-19 pandemic-related stimulus funds; the addition of 13.0 FTE positions to address deficiencies identified in an audit related to providing adequate level of licensure, inspection, and enforcement activities; and salary increases to prevent turnover in public health sanitation.

#### **RADIATION CONTROL**

The agency has a primary role in regulating the use of radiation in Texas. DSHS licenses radioactive materials; certifies individuals to practice industrial radiography; certifies x-ray and mammography equipment and facilities; and provides emergency response for nuclear facilities. Radiation control appropriations for the 2022–23 biennium total \$18.7 million in All Funds (\$17.0 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 120.8 FTE positions in each fiscal year. Appropriations represent a decrease of \$0.1 million in All Funds, including an increase of \$3.1 million in General

Revenue Funds and General Revenue–Dedicated Funds. The increase in General Revenue Funds and General Revenue–Dedicated Funds is primarily attributable to a onetime method-of-finance adjustments made during the 2020–21 biennium to fund salaries from federal COVID-19 pandemic-related stimulus funds.

#### **ENVIRONMENTAL HEALTH**

DSHS provides licensure, inspection, and regulation of asbestos, lead-based paints, hazardous products, abusable volatile chemicals, community sanitation, and other agents. Additionally, the agency monitors the environmental health safety of schools, youth camps, public swimming pools, and public lodging facilities. Environmental health appropriations for the 2022–23 biennium total \$13.1 million in All Funds (\$11.7 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 84.9 FTE positions in each fiscal year. Appropriations represent an All Funds decrease of \$0.6 million, which is primarily attributable to a decrease in onetime federal funding to address the COVID-19 pandemic.

#### **OTHER PROGRAM AREAS**

##### **CENTRAL ADMINISTRATION**

Central Administration supports all agency programs by directing and managing agencywide operations, establishing and administering overall agency policy, and directing and managing business and fiscal operations. Appropriations for

the 2022–23 biennium total \$28.7 million in All Funds (\$14.1 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 177.9 FTE positions in each fiscal year.

#### **AGENCYWIDE INFORMATION TECHNOLOGY PROJECTS**

DSHS has two major agencywide information technology (IT) projects: seat management and data center consolidation. Appropriations for these projects for the 2022–23 biennium total \$33.3 million in All Funds (\$27.4 million in General Revenue Funds and General Revenue–Dedicated Funds). Appropriations represents a decrease of \$20.0 million, primarily related to the completion of onetime IT projects in the 2022–23 biennium.

#### **INFORMATION TECHNOLOGY PROGRAM SUPPORT**

IT program support implements and supports the automation and management of information resources throughout the agency. Appropriations for the 2022–23 biennium total \$33.4 million in All Funds (\$33.1 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 7.1 FTE positions in each fiscal year.

#### **OTHER SUPPORT SERVICES**

Other support services include facilities management, mail distribution, and management and maintenance of physical assets and material resources. Appropriations for other support services for the 2022–23 biennium include \$5.1 million in All Funds (\$2.1 million in General Revenue Funds and General Revenue–Dedicated Funds) and provide for 19.5 FTE positions in each fiscal year.

#### **REGIONAL ADMINISTRATION**

DSHS provides infrastructure support for eight regional offices, which assist with community needs assessments, manage contracts, and provide public health services. Appropriations total \$2.7 million in All Funds (\$2.5 million in General Revenue Funds and General Revenue–Dedicated Funds) for the 2022–23 biennium.

#### **TEXAS.GOV**

Applications and renewals for licenses for certain professionals and businesses can be processed through Texas.gov, the official website for the state of Texas. Appropriations include \$1.4 million in All Funds, provided entirely from General Revenue Funds and General Revenue–Dedicated Funds, for Texas.gov services for the 2022–23 biennium.

## **SIGNIFICANT LEGISLATION**

**House Bill 133 – Transition of case management for children and pregnant women program services and Healthy Texas Women (HTW) program services.** The legislation increases Medicaid coverage for women enrolled during pregnancy from up to two months after giving birth to at least six months after delivery or miscarriage, and transitions HTW and case management services for children and pregnant women to a managed care program. Funding for DSHS was reduced by \$0.7 million in Federal Funds and \$0.7 million in Interagency Contracts and 20.6 FTE positions in fiscal year 2023 to transition case management services for Medicaid recipients under the Children and Pregnant Women program provided by DSHS to a Medicaid managed care model.

**House Bill 1033 – Prescription drug price disclosure.** The legislation amends reporting requirements for pharmaceutical drug manufacturers to require each to submit an annual wholesale acquisition cost report to DSHS instead of HHSC and to ensure publication of drug price information online. DSHS received \$0.7 million in General Revenue Funds and 3.7 FTE positions in fiscal year 2022 and \$0.6 million in General Revenue Funds and 3.0 FTE positions in fiscal year 2023 to implement the provisions of the legislation.

**Senate Bill 968 – Public health disaster and public health emergency preparedness and response.** The legislation requires DSHS to establish an Office of the Chief State Epidemiologist. The legislation also requires DSHS to consult with the Task Force on Infectious Disease Preparedness and Response during a public health disaster and to develop and implement a disease prevention information system.

**Senate Bill 969 – Reporting procedures for information concerning public health disasters and public health studies.** The legislation requires DSHS to make de-identified public health data regarding public health disasters and communicable disease outbreaks available on its website, and to evaluate the planning and response capabilities of the state healthcare system to develop a standardized method for reporting data and releasing reports.

**Senate Bill 984 – Public health disaster and public health emergency and response, including the operation of the Task Force on Infectious Disease Preparedness and Response.** The legislation requires each authorized trauma service area regional advisory council to collect de-identified healthcare data and report to DSHS to plan for and respond

to public health disasters and communicable or infectious disease emergencies.

**House Bill 9, Second Called Session – Supplemental appropriations.** The legislation increased appropriation authority of DSHS in fiscal year 2022 by \$16.4 million in General Revenue Funds for ambulance services at the Texas border.

**Senate Bill 8, Third Called Session – Supplemental appropriations.** The legislation increased appropriation authority of DSHS in fiscal year 2022 by \$2.1 billion from the federal Coronavirus State Fiscal Recovery Fund for the following items:

- \$2.0 billion for COVID-19 pandemic surge staffing, purchasing therapeutic drugs, and operations of infusion centers;
- \$21.7 million for emergency medical service staffing, including workforce development initiatives and education programs;
- \$20.0 million for the Federally Qualified Health Center Incubator Program; and
- \$16.7 million for upgrading of existing laboratory facilities in Hidalgo County and Starr County.

## HEALTH AND HUMAN SERVICES COMMISSION

**PURPOSE:** To improve the health, safety, and well-being of Texans with good stewardship of public resources.

**ESTABLISHED:** 1991

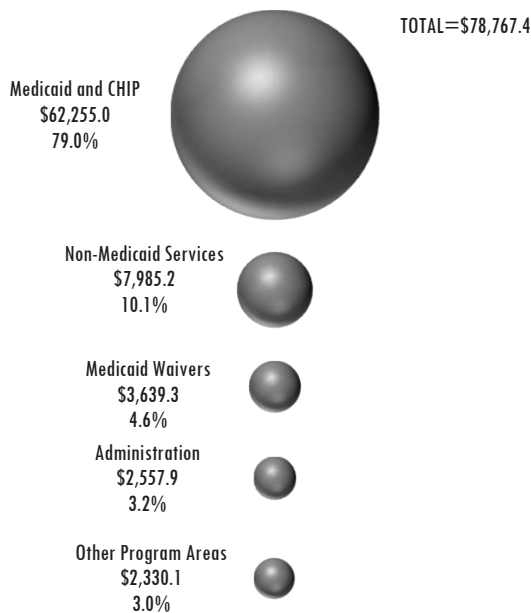
**AUTHORIZING STATUTE:** The Texas Government Code, §531.002

**GOVERNANCE:** Health and Human Services Executive Commissioner, appointed by the Governor, with the advice and consent of the Senate; the Health and Human Services Executive Council receives public input and advises the executive commissioner regarding operation of the commission

**FIGURE 141**  
**HEALTH AND HUMAN SERVICES COMMISSION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$28,535.5	\$29,652.4	\$1,116.9	3.9%	2022 38,403.2
General Revenue–Dedicated Funds	\$173.2	\$192.0	\$18.7	10.8%	
Federal Funds	\$54,596.9	\$47,336.5	(\$7,260.4)	(13.3%)	2023 38,467.3
Other Funds	\$2,529.2	\$1,586.5	(\$942.6)	(37.3%)	
<b>Total, All Methods of Finance</b>	<b>\$85,834.8</b>	<b>\$78,767.4</b>	<b>(\$7,067.4)</b>	<b>(8.2%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Medicaid client services funding** represents a decrease of \$5.1 billion in All Funds, including an increase of \$1.0 billion in General Revenue Funds, primarily due to onetime impacts of the COVID-19 pandemic in the 2020–21 biennium on program utilization and federal match rates.

Appropriations for **specialty health and client services programs**, including Alternatives to Abortion, Early Childhood Intervention, Family Violence Services, and Child Advocacy Programs, include increases of \$87.8 million in All Funds.

Appropriations include a decrease of \$0.5 billion in All Funds due to **supplemental funding** provided in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, in fiscal year 2021 for various information technology projects, maintenance at state-owned facilities, and agency vehicles.

Appropriations include a decrease of \$0.5 billion from the Economic Stabilization Fund for **construction of mental health state hospitals**, including \$0.3 billion in supplemental funds provided in House Bill 2.

NOTE: CHIP=Children’s Health Insurance Program.  
SOURCE: Legislative Budget Board.

## MAJOR FUNDING

House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, increased appropriation authority of the Health and Human Services Commission (HHSC) in fiscal year 2021 by \$839.9 million in All Funds, including \$153.2 million in General Revenue Funds and \$321.3 million in Other Funds from the Economic Stabilization Fund (ESF), including the following amounts:

- \$499.1 million in All Funds, including \$158.1 million in General Revenue Funds, for information technology projects, including modernization of the Medicaid Management Information System;
- \$321.3 million from the ESF for construction at mental health state hospital facilities, including the preplanning and planning efforts of a new state hospital in the Dallas–Fort Worth area, and \$0.1 million in General Revenue Funds for related oversight staff;
- \$23.7 million in Other Funds for continuing improvements to state supported living centers and state hospital facilities;
- \$7.9 million in General Revenue Funds for motor vehicle purchases;
- \$1.5 million in All Funds, including \$0.8 million in General Revenue Funds, for preventive maintenance and security stabilization of the Winters Building Data Center; and
- a decrease of \$13.6 million in General Revenue Funds for lease payments to the Master Lease Purchase Program.

In addition, House Bill 2 reduced the appropriation authority of HHSC by \$182.6 million in General Revenue Funds, which was offset by an equal increase in federal pandemic-related stimulus funds for salaries and benefits related to response to the COVID-19 pandemic.

Appropriations for HHSC for the 2022–23 biennium total \$78.8 billion in All Funds, including \$29.7 billion in General Revenue Funds, representing a decrease of \$7.1 billion in All Funds from 2020–21 biennial spending levels. A decrease of \$7.3 billion in Federal Funds and \$0.9 billion in Other Funds is offset by a \$1.1 billion increase in General Revenue Funds and General Revenue–Dedicated Funds. Significant funding changes include the following items:

- Medicaid funding at HHSC totals \$68.6 billion in All Funds, including \$25.2 billion in General Revenue Funds. These amounts include \$64.1 billion in All Funds (\$23.6 billion in General Revenue Funds) for client services, \$1.7 billion in All Funds (\$0.6 billion in General Revenue Funds) for programs supported by Medicaid funding, and \$2.8 billion in All Funds (\$1.0 billion in General Revenue Funds) for administration of the Medicaid program and other programs supported by Medicaid funding. These amounts are an overall decrease of \$5.5 billion in All Funds, which includes a \$6.4 billion decrease in Federal Funds, offset by an increase of \$0.9 billion in General Revenue Funds from 2020–21 biennial spending levels. Less favorable federal medical assistance percentages (FMAP), combined with the assumed loss of the 6.2 percentage-point increase in FMAP pursuant to the federal Families First Coronavirus Response Act, result in a lower proportion of the program being funded with Federal Funds;
- Children’s Health Insurance Program (CHIP) client services funding totals \$1.8 billion in All Funds, including \$0.5 billion in General Revenue Funds, which is a decrease of \$0.3 billion in All Funds, offset by an increase of \$0.1 billion in General Revenue Funds, from 2020–21 biennial spending levels. The All Funds decrease is due primarily to projected caseload decreases in the 2022–23 biennium and anticipated lapses in the 2020–21 biennium. Less favorable enhanced FMAPs (EFMAP) combined with the loss of the 11.5-percentage-point increase to EFMAP pursuant to the federal Helping Ensure Access for Little Ones, Toddlers, and Hopeful Youth by Keeping Insurance Delivery Stable (HEALTHY KIDS) Act and 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;
- behavioral health funding at HHSC totals \$3.3 billion in All Funds, including \$2.5 billion in General Revenue Funds and General Revenue–Dedicated Funds. This amount is a decrease of \$0.7 billion in All Funds and an increase of \$0.3 billion in General Revenue Funds from 2020–21 biennial spending levels. The decrease is primarily due to \$0.7 billion in Other Funds (ESF and bonds) appropriated for onetime construction projects

and certain capital repair and renovation projects at state-funded inpatient mental health facilities, including funds appropriated in House Bill 2. The All Funds decrease is partially offset by an increase in General Revenue Funds related to the onetime method-of-finance adjustment of \$0.2 billion with COVID-19 pandemic-related federal stimulus funds in the 2020–21 biennium and an increase of \$0.1 billion to operate expanded mental health hospital bed capacity at mental health state hospitals and to purchase additional mental health inpatient beds in rural and urban areas of the state. In addition, an estimated \$3.8 billion in All Funds is anticipated to be expended on behavioral health services through Medicaid and CHIP;

- funding for selected specialty health and client services programs, including Alternatives to Abortion, Early Childhood Intervention, Family Violence Services, and Child Advocacy Programs, totals \$618.4 million in All Funds (\$310.2 million in General Revenue Funds and General Revenue–Dedicated Funds), an increase of \$87.8 million in All Funds (\$51.4 million in General Revenue Funds) from 2020–21 biennial spending levels;
- onetime federal grant funding includes a reduction of \$283.6 million related to COVID-19 pandemic response, including \$199.9 million related to behavioral health, and a reduction of \$71.1 million in All Funds related to onetime expenditures for other disaster assistance in the 2020–21 biennium;
- capital repairs and renovations at the state-owned facilities include \$13.2 million in General Revenue Funds and General Revenue–Dedicated Funds, primarily to address critical deferred maintenance needs at the state supported living centers. Total funding includes a decrease of \$165.4 million in All Funds, which is due to a decrease of \$174.1 million in Other Funds (ESF and bonds), partially offset by an increase of \$8.7 million in General Revenue Funds; and
- agency-identified reductions totaling \$126.1 million in General Revenue Funds in areas that do not affect direct client services including: \$38.5 million in General Revenue Funds for women’s health services, offset by an increase in Federal Funds in a like amount due to approval of the federal Healthy Texas Women

Section 1115 Demonstration Waiver; \$41.5 million in General Revenue Funds for program eligibility determination and enrollment operations; \$4.2 million in General Revenue Funds for regulatory activities; \$1.9 million in General Revenue Funds for the Texas Civil Commitment Office; and other reductions related to administrative functions, including Medicaid contracts and administration, information technology, and system support services.

## PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) Medicaid and CHIP; (2) Medicaid Waivers; (3) Non-Medicaid Services; (4) Other Program Areas, including eligibility determinations; and (5) Administration.

### MEDICAID CLIENT SERVICES

Funding for the 2022–23 biennium includes \$64.1 billion in All Funds, including \$23.6 billion in General Revenue Funds, \$0.1 billion in General Revenue–Dedicated Funds, \$0.5 billion in Other Funds, and \$39.9 billion in Federal Funds, for Medicaid client services. This amount is a decrease of \$5.1 billion (7.3 percent) in All Funds and an increase of \$1.0 billion (4.4 percent) in General Revenue Funds from the projected 2020–21 biennial spending levels.

The All Funds decrease in Medicaid client services is related primarily to a projected caseload decrease in the 2022–23 biennium related to the anticipated expiration of the federal requirement to temporarily pause client disenrollment throughout the duration of the COVID-19 public health emergency; a funding decrease of \$897.1 million in All Funds (\$350.0 million in General Revenue Funds) for assumed savings associated with cost containment; and an additional funding decrease of \$4.7 billion in All Funds (\$1.9 billion in General Revenue Funds).

In addition, a reduction in Federal Funds is a result of a less favorable FMAP combined with the assumed loss of the 6.2 percentage-point increase to FMAP pursuant to the federal Families First Coronavirus Response Act resulting in a lower proportion of the program being funded with Federal Funds, offset by a corresponding increase in General Revenue Funds.

Funding provides for the following items:

- \$51.2 million in All Funds, including \$20.0 million in General Revenue Funds, to remove prior authorization requirements for direct-acting antiviral treatment for hepatitis C virus;

- \$76.9 million in All Funds, including \$30.0 million in General Revenue Funds, for community care waiver slots to serve individuals in Home and Community-Based Services, Community Living Assistance and Support Services, Deaf-Blind Multiple Disabilities, and Texas Home Living; and
- \$118.9 million in All Funds, including \$46.4 million in General Revenue Funds, to provide Medicaid coverage to women enrolled during a pregnancy for six months after delivery or miscarriage.

Full funding for anticipated increases in cost for the 2022–23 biennium due to medical inflation, higher utilization, or increased acuity is not included.

### **CHILDREN'S HEALTH INSURANCE PROGRAM**

Biennial funding for the Children's Health Insurance Program (CHIP) totals \$1.8 billion in All Funds, including \$0.5 billion in General Revenue Funds, which is a decrease of \$0.3 billion in All Funds, offset by an increase of \$0.1 billion in General Revenue Funds, from 2020–21 biennial spending levels. Total funding includes \$1,041.2 million in All Funds (\$280.8 million in General Revenue Funds) to provide medical services to children enrolled in CHIP, \$269.9 million in All Funds (\$72.8 million in General Revenue Funds) for CHIP Perinatal services, \$290.8 million in All Funds (\$78.4 million in General Revenue Funds) for CHIP Prescription Drugs, and \$189.3 million in All Funds (\$51.1 million in General Revenue Funds) for CHIP Dental Services. The CHIP program is matched at the EFMAP, a more favorable rate that reduces the state's share compared to the FMAP. For the 2022–23 biennium, a less favorable EFMAP combined with the loss of the 11.5-percentage-point increase to EFMAP, pursuant to the federal HEALTHY KIDS Act, and the assumed loss of the 6.2 percentage-point FMAP increase, pursuant to the federal Families First Coronavirus Response Act, result in a lower proportion of the program being federally funded. Funding for anticipated increases in cost due to medical inflation, higher utilization, or increased acuity is not included.

### **NON-MEDICAID SERVICES BEHAVIORAL HEALTH SERVICES**

#### **COMMUNITY MENTAL HEALTH SERVICES**

HHSC provides community mental health services to adults and children through contracts with local mental health authorities (LMHA) and local behavioral health authorities (LBHA). Services include screening and assessment, service coordination, medication-related services, and outpatient

and inpatient services. In addition, certain services are available specifically for adults or children, such as employment and housing assistance for adults and respite services for children.

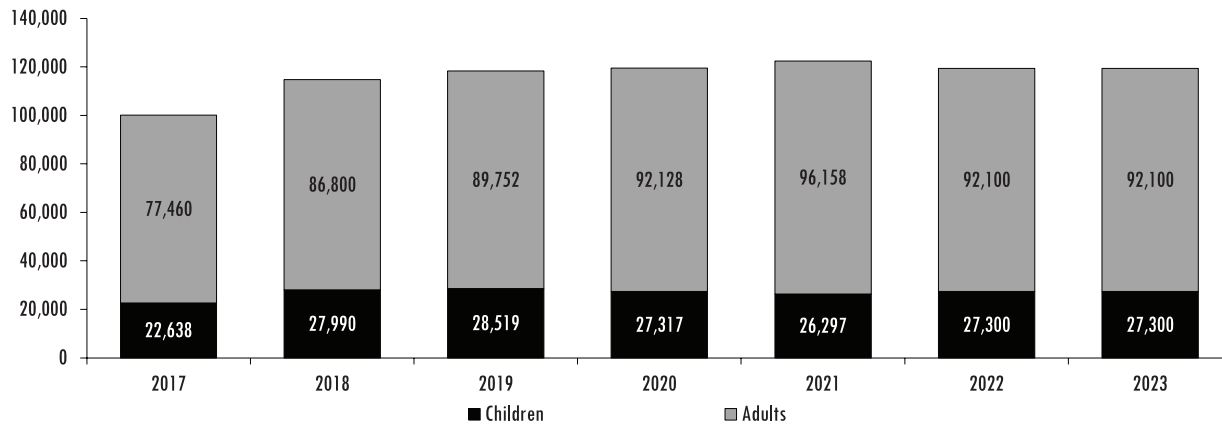
Community mental health funding for adults totals \$785.7 million in All Funds (\$646.4 million in General Revenue Funds) and provides for 111.4 full-time-equivalent (FTE) positions each fiscal year. Funding for children totals \$187.9 million in All Funds (\$137.3 million in General Revenue Funds) and provides for 21.9 FTE positions in each fiscal year. Funding amounts for adults and children represent a decrease of \$16.0 million in All Funds (\$0.6 million in General Revenue Funds) primarily due to decreases of \$0.6 million in All Funds (\$0.6 million in General Revenue Funds) associated with onetime funding for implementation of previously passed legislation and \$15.4 million in Federal Funds due to assumed decreases in Mental Health Block Grant funds.

**Figure 142** shows the monthly average number of children and adults receiving community mental health services from fiscal year 2017 to fiscal year 2023.

HHSC also contracts with LMHAs/LBHAs and local communities to provide services including crisis hotlines, mobile outreach, children's outpatient services, walk-in services, extended observation, crisis stabilization units, crisis residential, respite services, and transportation. Funding for these community mental health crisis services includes \$231.4 million in All Funds (\$224.3 million in General Revenue Funds) and provides for 30.6 FTE positions in each fiscal year. Funding maintains 2020–21 biennial General Revenue Funds spending levels for the 2022–23 biennium.

The Home and Community-Based Services – Adult Mental Health program provides community-based services to divert adults with a serious mental illness from inpatient psychiatric settings. Services are provided in the individual's home or other community-based settings, and include psychosocial rehabilitation, employment, home delivered meals, and transportation services. Funding for the 2022–23 biennium totals \$32.8 million in All Funds (\$22.0 million in General Revenue Funds) to serve an estimated 271 individuals per month. The Youth Empowerment Services waiver provides home and community-based services to children ages 3 to 18 who exhibit symptoms of a serious emotional disturbance. Services include family supports, minor home modifications, specialized therapies, and respite care. Funding for the 2022–23 biennium totals \$26.1 million in All Funds (\$10.9 million

**FIGURE 142**  
**AVERAGE MONTHLY NUMBER OF CHILDREN AND ADULTS RECEIVING COMMUNITY MENTAL HEALTH SERVICES**  
**FISCAL YEARS 2017 TO 2023**



NOTE: Targets for fiscal years 2022 and 2023 are established in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium.  
 SOURCE: Health and Human Services Commission.

in General Revenue Funds) to serve an estimated 1,814 individuals per month. Funding for these programs reflects an increase of \$2.4 million in All Funds (\$2.6 million in General Revenue Funds), primarily due to an increase of \$2.4 million in All Funds (\$1.4 million in General Revenue Funds) to maintain fiscal year 2021 expenditures, including fiscal year 2021 caseloads, for each program. In addition, less favorable FMAPs result in an increase of \$1.3 million in General Revenue Funds for the programs. Amounts for both programs provide for 27.9 FTE positions in each fiscal year.

HHSC operates certain community mental health matching grant programs to provide funding to support local community mental health programs; funding intended to reduce recidivism, arrests, and incarceration of individuals with serious mental illness; and funding to support mental healthcare services and treatment to veterans and their families. The programs also support Healthy Community Collaboratives, which provide services to persons experiencing homelessness, substance use, and mental health issues. Funding for all grant programs totals \$145.0 million in General Revenue Funds and maintains 2020–21 appropriated levels for each program. Pursuant to the Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium, Article II, HHSC, Rider 53, Community Mental Health Grant Programs, the agency also may allocate no more than \$10.0 million in Federal Funds for certain Healthy Community Collaboratives capital projects, contingent upon the availability of Federal Funds for this purpose.

#### ***SUBSTANCE ABUSE PREVENTION, INTERVENTION, AND TREATMENT***

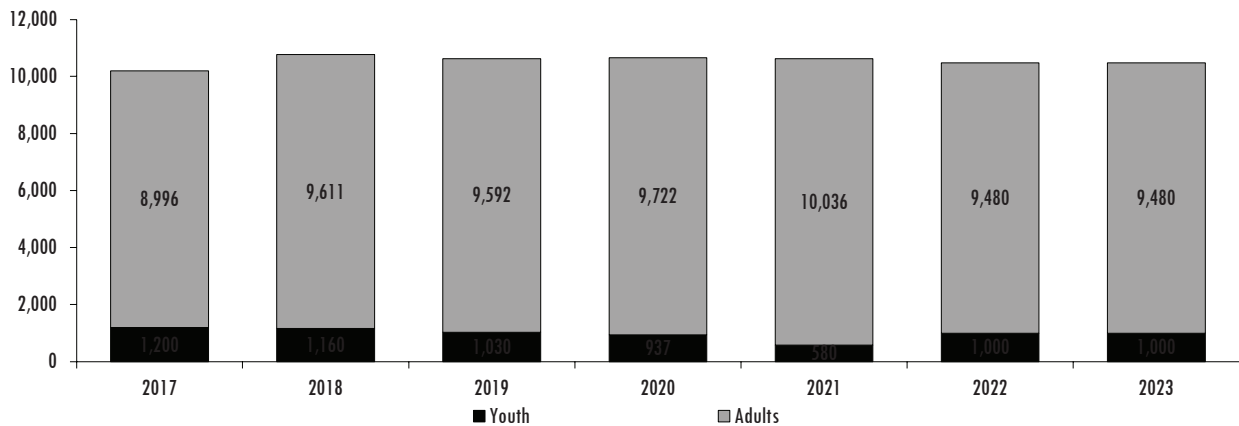
HHSC is the designated state agency for the federal Substance Abuse Prevention and Treatment block grant (SABG). Federal maintenance-of-effort requires that the state must maintain spending for substance abuse services at a level equal to the average of expenditures for the previous two fiscal years.

Prevention programs implement one or more of the SABG-required prevention approaches and include prevention education and skills training for youth and families, problem identification and referral to appropriate services, information dissemination, alternative activities, and community collaboration. Substance abuse intervention services include the Outreach, Screening, Assessment, and Referral programs, which provide referrals to treatment and other appropriate services, assist with transportation to services, and assist individuals in enrolling in community-based support services after receiving treatment. Other intervention services include outreach, human immunodeficiency virus (HIV) early intervention services, family services, and screening and assessment services.

HHSC gives comprehensive and appropriate treatment priority status to the needs of pregnant women and mothers, and substance users at risk of contracting HIV. Youth ages 13 to 17 with substance use or dependence disorder are also eligible to receive treatment. **Figure 143** shows the monthly average number of youth and adults served in substance abuse treatment programs from fiscal years 2017 to 2023.



**FIGURE 143**  
**AVERAGE MONTHLY NUMBER OF YOUTH AND ADULTS SERVED IN TREATMENT PROGRAMS FOR SUBSTANCE ABUSE**  
**FISCAL YEARS 2017 TO 2023**



NOTE: Targets for fiscal years 2022 and 2023 are established in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium.  
 SOURCE: Health and Human Services Commission.

Biennial funding for substance abuse services totals \$496.4 million in All Funds (\$102.1 million in General Revenue Funds) and provides for 193.3 FTE positions in each fiscal year. Funding for substance abuse services represents a decrease of \$42.4 million in All Funds (\$20.0 million in General Revenue Funds) primarily due to the following:

- an increase of \$3.6 million in General Revenue Funds to maintain higher fiscal year 2021 costs associated with a rate increase for substance use treatment services;
- a decrease of \$13.6 million in General Revenue Funds associated with onetime funding provided by the Eighty-sixth Legislature, 2019, to reduce the substance use treatment waitlist for pregnant women and women with dependent children; and
- a decrease of \$22.4 million in Federal Funds due to assumed reductions in certain federal grants, including \$20.5 million in the Opioid State Targeted Response federal grant.

#### MENTAL HEALTH STATE HOSPITALS – DAILY OPERATIONS

The mental health state hospital system includes nine state-operated mental health hospitals, including inpatient mental health services at the Rio Grande State Center, and one state-owned inpatient residential treatment facility for adolescents. These facilities provide inpatient hospitalization and general psychiatric services for persons with severe mental illness who require intensive treatment. Individuals needing specialized short-term or long-term care can receive services

such as therapeutic programming and skills building to reduce acute symptoms and restore their ability to function in the community.

Funding for the 2022–23 biennium totals \$965.5 million in All Funds (\$833.9 million in General Revenue Funds) and provides for 7,858.8 FTE positions in each fiscal year. Appropriations include an increase of \$54.5 million in All Funds (\$248.5 million in General Revenue Funds). The primary reason for the increase in General Revenue Funds is a onetime method-of-finance adjustment of \$182.6 million from General Revenue Funds to pandemic-related federal stimulus funds provided by House Bill 2, Eighty-seventh Legislature, Regular Session, 2021. This method-of-finance adjustment is not continued in the 2022–23 biennium. Other changes are due to the following:

- an increase of \$86.0 million in General Revenue Funds to operate expanded bed capacity at San Antonio State Hospital, Kerrville State Hospital, and the new inpatient facility in Harris County, partially offset by a decrease of \$13.7 million in General Revenue Funds provided by the Eighty-sixth Legislature, 2019, for onetime facility ramp-up costs;
- an increase of \$6.4 million in General Revenue Funds to maintain higher fiscal year 2021 cost growth;
- an increase of \$1.3 million in General Revenue Funds to provide hepatitis C treatment to patients at the state mental health hospitals;

- a decrease of \$11.9 million in General Revenue Funds associated with onetime funding provided for technology upgrades and equipment for the newly renovated units, including supplemental funding provided in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, for fiber and cable upgrades;
- a decrease of \$11.4 million in federal Provider Relief Funds received in the 2020–21 biennium for response to the COVID-19 pandemic; and
- a decrease of \$2.2 million in General Revenue Funds to maintain certain lower fiscal year 2021 costs.

#### **MENTAL HEALTH COMMUNITY HOSPITALS**

Mental Health Community Hospitals funding supports inpatient services at psychiatric facilities located throughout the state. The facilities provide services such as assessment, crisis stabilization, skills training, and medication management. Funds are allocated primarily to the community hospitals through performance contracts with LMHAs and LBHAs.

Appropriations for the 2022–23 biennium total \$307.0 million in General Revenue Funds, and provide 4.5 FTE positions in each fiscal year. Appropriations reflect an increase of \$32.5 million in All Funds (\$52.7 million in General Revenue Funds), primarily due to increases of \$30.0 million in General Revenue Funds to purchase additional inpatient beds in urban and rural areas of the state, and \$2.5 million in General Revenue Funds to maintain certain higher fiscal year 2021 costs. Appropriations also include an increase of \$20.2 million in General Revenue Funds to replace an equal reduction in Other Funds (Public Health Medicaid Reimbursements Account No. 709) that are appropriated for Medicaid client services in the 2022–23 biennium.

#### **OTHER STATE-OWNED FACILITIES**

##### **STATE SUPPORTED LIVING CENTERS**

State Supported Living Centers (SSLC) are large, state-operated, intermediate care facilities for individuals with intellectual disability (ICF/IID). Appropriations support 13 centers across Texas (including the ICF/IID component of Rio Grande State Center), located in Abilene, Austin, Brenham, Corpus Christi, Denton, El Paso, Harlingen, Lubbock, Lufkin, Mexia, Richmond, San Angelo, and San Antonio.

Appropriations for SSLCs for the 2022–23 biennium total \$1,370.9 million in All Funds (\$526.7 million in General Revenue Funds) and provide for 11,784.2 FTE positions in

each fiscal year. This amount is a decrease of \$23.8 million in All Funds and an increase of \$34.9 million in General Revenue Funds from the 2020–21 biennial level. Less favorable FMAPs result in a higher proportion of the program being funded with General Revenue Funds, which results in an increase of \$44.1 million in General Revenue Funds and an equal reduction in Federal Funds. This increase in General Revenue Funds is offset partially by the following decreases:

- \$8.1 million in federal Provider Relief Funds received in the 2020–21 biennium for response to the COVID-19 pandemic;
- \$5.0 million in General Revenue Funds associated with onetime funding for technology upgrades; and
- \$10.6 million in All Funds (\$4.1 million in General Revenue Funds) related to a projected decrease in the 2022–23 census of individuals served by SSLCs.

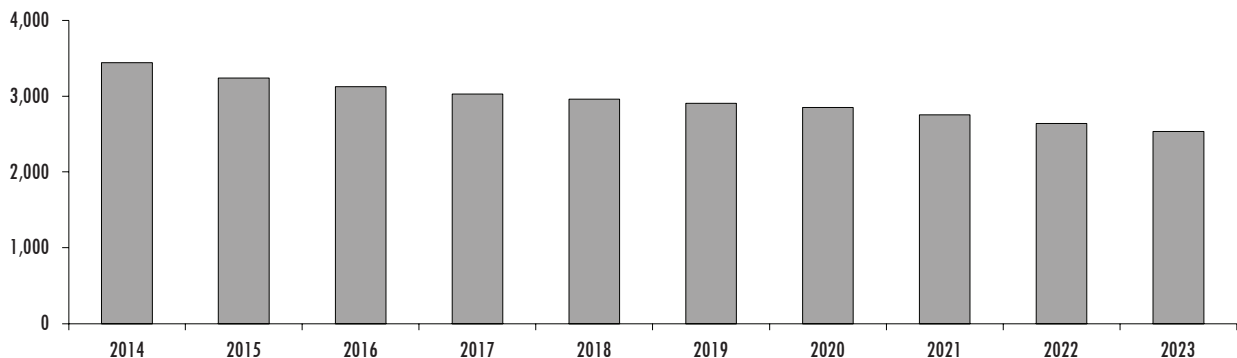
As shown in **Figure 144**, the average monthly SSLC census has decreased steadily. From fiscal year 2014 to fiscal year 2023, the average monthly census is projected to decrease by 26.4 percent. However, the cost to operate the SSLCs has not decreased to the same degree during the same period, in part because of fixed overhead costs such as salaries, benefits, and capital needs.

HHSC was required by the Eighty-sixth Legislature, 2020–21 GAA, to produce a plan to maximize resources at the SSLCs, including the feasibility of repurposing vacant or unused buildings. HHSC's recommendations in the plan included repurposing SSLC building space to provide step-down units from state mental health hospitals, which are intended to provide services to eligible individuals in a less acute setting and assist in expanding inpatient bed capacity. Pursuant to the 2022–23 GAA, Article II, HHSC, Rider 100, Step-down Housing Pilot for Individuals with Serious Mental Illness, the agency may use Federal Funds to upgrade unused buildings on SSLC campuses to step-down units.

##### **RIO GRANDE STATE CENTER AND CORPUS CHRISTI BOND HOMES**

In addition to inpatient mental health services and ICF/IID services, the Rio Grande State Center in Harlingen provides primary medical care to individuals living in the lower Rio Grande Valley. HHSC also operates two small ICFs/IID (bond homes) in Corpus Christi. Appropriations for these services for the 2022–23 biennium total \$11.8 million in All Funds (\$9.0 million in General Revenue Funds) and provide for 92.4 FTE positions each fiscal year.

**FIGURE 144**  
**STATE SUPPORTED LIVING CENTERS AVERAGE MONTHLY CENSUS FISCAL YEARS 2014 TO 2023**



NOTES: Targets for fiscal years 2022 and 2023 are established in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium.

SOURCES: Health and Human Services Commission.

## OTHER NON-MEDICAID CLIENT SERVICES

### WOMEN'S HEALTH SERVICES

HHSC operates three women's health programs: the Healthy Texas Women (HTW) Program, Family Planning Program (FPP), and Breast and Cervical Cancer Services (BCCS). HTW provides no-cost women's health, family planning, and preventive health services to women who are U.S. citizens or eligible immigrants between the ages of 15 and 44 with income at or less than 204.2 percent of the federal poverty level (FPL). Clients must also be uninsured and not pregnant. FPP provides low-cost or no-cost reproductive healthcare, family planning, prenatal care, and preventive screenings to men and women age 64 or younger who have incomes at or less than 250 percent of the FPL. BCCS provides access to diagnostic services for breast and cervical cancers for women who have incomes at or below 200 percent of the FPL.

Biennial appropriations for women's health programs total \$345.0 million in All Funds (\$170.7 million in General Revenue Funds) and provide for 27.5 FTE positions in each fiscal year. Appropriations represent an increase of \$2.6 million in All Funds and a decrease of \$64.5 million in General Revenue Funds from 2020–21 biennial spending levels. HHSC received approval from the Centers for Medicare and Medicaid Services on January 22, 2020, for the Healthy Texas Women Section 1115 Demonstration Waiver, and can receive eligible matching funds for services in the HTW Program. Appropriations assume a full biennium of the HTW Section 1115 Demonstration Waiver, resulting in a decrease of \$55.3 million in General Revenue

Funds, offset by an equal increase in Federal Funds. Appropriations also assume a full biennium of a limited postpartum care services package in HTW, referred to as HTW Plus, and that HTW Plus services will be added to the HTW Section 1115 Demonstration Waiver and will be eligible to receive federal matching funds. This results in a total decrease of \$4.0 million in General Revenue Funds and an increase of \$16.6 million in Federal Funds.

Other decreases include \$7.7 million in All Funds (\$3.0 million in General Revenue Funds) in estimated savings to HTW associated with implementation of House Bill 133, Eighty-seventh Legislature, Regular Session, 2021; \$7.5 million in All Funds (\$7.7 million in General Revenue Funds) to maintain certain costs for HTW cost-reimbursement contracts and administration of all women's health programs; and \$0.8 million in Other Funds (Appropriated Receipts) for onetime settlement funds received from the State of Washington in fiscal year 2021. These decreases are partially offset by increases of \$5.5 million in General Revenue Funds to maintain 2020–21 appropriated levels for FPP and \$0.4 million in Federal Funds to maintain certain costs for BCCS.

### ALTERNATIVES TO ABORTION

Alternatives to Abortion provides pregnancy support services that promote childbirth, including information and referrals. Some material services, such as maternity clothes and car seats, are also available. Biennial appropriations total \$100.0 million in All Funds, including \$99.9 million in General Revenue Funds and \$0.1 million in Other Funds (Appropriated Receipts), and provide for 1.0 FTE position

each fiscal year. Appropriations represent an increase of \$20.0 million in General Revenue Funds from 2020–21 biennial spending levels.

**EARLY CHILDHOOD INTERVENTION SERVICES**

Early Childhood Intervention (ECI) Services are for eligible children younger than age three who have a disability or developmental delay. These services are provided through contracts with local agencies, including community centers, education service centers, and private nonprofit entities. These agencies determine eligibility, assess the child’s needs, and coordinate the delivery of comprehensive services. Appropriations for ECI client services total \$339.0 million in All Funds (\$95.4 million in General Revenue Funds). This amount is an increase of \$33.9 million in All Funds (\$15.4 million in General Revenue Funds) from 2020–21 biennial amounts primarily to address anticipated caseload growth. **Figure 145** shows the distribution of appropriation sources for ECI client services for the 2020–21 biennium and the 2022–23 biennium. The share of ECI client services funded by General Revenue Funds increased by 1.9 percentage points from the 2020–21 biennium to the 2022–23 biennium. Additional sources of funding for ECI services not shown in **Figure 145** include some therapy services funded through Medicaid and CHIP client services and other funding sources that are not included in the GAA, including third-party collections and local contributions.

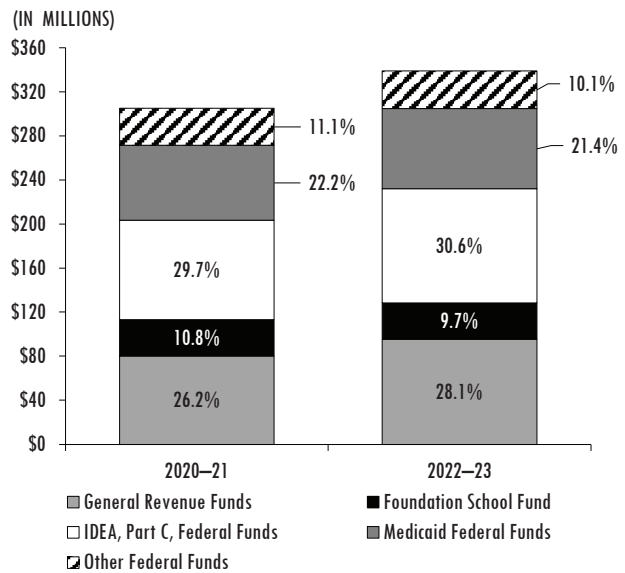
**Figure 146** shows historical changes in the number of children served through ECI. The average monthly caseload increased from fiscal years 2014 to 2019 and decreased slightly in fiscal years 2020 and 2021. The average monthly caseload is estimated to increase by 5.7 percent from fiscal year 2021 to fiscal year 2023.

In addition to the client services discussed above, the ECI program receives appropriations for respite services, quality assurance, and program administration. Biennial appropriations for these activities total \$7.7 million in All Funds (\$1.9 million in General Revenue Funds) and provide for 37.9 FTE positions in each fiscal year.

**CHILDREN WITH SPECIAL HEALTH CARE NEEDS**

The Children with Special Health Care Needs (CSHCN) program provides medical, dental, and case-management services not covered by Medicaid, CHIP, or private insurance for children with special healthcare needs. The program also provides family support services (FSS) to eligible clients, including respite care, vehicle and home

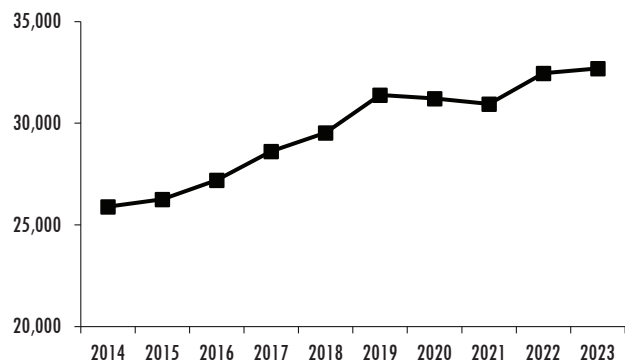
**FIGURE 145**  
**EARLY CHILDHOOD INTERVENTION PROGRAM**  
**APPROPRIATIONS BY FUND TYPE**  
**2020–21 AND 2022–23 BIENNIA**



NOTE: IDEA, Part C=the federal Individuals with Disabilities Education Act, Part C, Program for Infants and Toddlers with Disabilities.

SOURCE: Legislative Budget Board.

**FIGURE 146**  
**EARLY CHILDHOOD INTERVENTION PROGRAM AVERAGE**  
**MONTHLY CHILDREN SERVED, FISCAL YEARS 2014 TO 2023**



NOTES: Targets for fiscal years 2022 and 2023 are established in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium.

SOURCES: Legislative Budget Board; Health and Human Services Commission.

modifications, special equipment, and family supports and community resources (FSCR), which are population health initiatives available to the general CSHCN population. HHSC provides the medical, dental, and FSS portion of the CSHCN program, and the Department of State Health

Services provides case management and FSCR services. Biennial appropriations for medical, dental, and FSS total \$61.0 million in All Funds (\$49.0 million in General Revenue Funds) and provide for 22.6 FTE positions in each fiscal year.

#### *OTHER SPECIALTY CARE PROGRAMS*

HHSC operates several additional specialty care programs, including the Kidney Health Care Program; Title V Maternal and Child Health Program; Autism Program; Blind Children's Vocational Discovery and Development Program; Epilepsy Program; Blindness Education, Screening, and Treatment (BEST) Program; and Hemophilia Assistance Program.

The Kidney Health Care Program assists Texans with end-stage renal disease in paying for treatment. Biennial appropriations total \$33.4 million in All Funds (\$30.3 million in General Revenue Funds) and provide for 21.1 FTE positions in each fiscal year.

The Title V Maternal and Child Health program provides preventive and primary health care and dental services to low-income youth age 21 and younger who do not qualify for Medicaid, CHIP, or another program that covers similar services. The program also provides up to 60 days of prenatal care for pregnant women while they await Medicaid or CHIP Perinatal coverage, and dental care for pregnant women up to three months postpartum. Biennial appropriations total \$17.5 million in All Funds (\$3.2 million in General Revenue Funds) and provide for 3.0 FTE positions in each fiscal year.

The Autism Program serves children ages three to 15 with a diagnosis of autism spectrum disorder. Appropriations total \$14.4 million in All Funds (\$14.3 million in General Revenue Funds) and provide for 3.4 FTE positions in each fiscal year.

The Blind Children's Vocational Discovery and Development Program provides services through trained blind children's specialists who function as case managers and direct-care providers. Appropriations total \$11.5 million in All Funds (\$9.5 million in General Revenue Funds) and provide for 77.7 FTE positions in each fiscal year.

The Epilepsy Program connects low-income Texans with epilepsy and seizure-like symptoms to comprehensive outpatient care. Services can include diagnosis, treatment, and case management. Biennial appropriations for the Epilepsy Program total \$3.7 million in General Revenue Funds.

The BEST Program provides vision screenings and treatment for individuals with eye conditions. Appropriations total \$0.9 million in General Revenue Funds and provide for 1.0 FTE position in each fiscal year.

The Hemophilia Assistance Program assists low-income adults with hemophilia who are not eligible for other programs in paying for medical care. Biennial appropriations for the Hemophilia Assistance Program total \$0.3 million in General Revenue Funds.

The Eighty-seventh Legislature, 2021, appropriated funding to support a new demonstration project that will provide comprehensive medical, therapeutic, and nonmedical services to adults and children with special needs in Bexar County and the South Texas region. Biennial appropriations for the project total \$7.5 million in General Revenue Funds.

#### *COMMUNITY PRIMARY CARE SERVICES*

The Community Primary Care Services program contracts with clinics throughout the state to provide primary health care services to low-income men, women, and children who do not receive similar services through another program. Biennial appropriations total \$24.3 million in General Revenue Funds and provide for 4.0 FTE positions in each fiscal year.

#### *PRESCRIPTION DRUG SAVINGS PROGRAM*

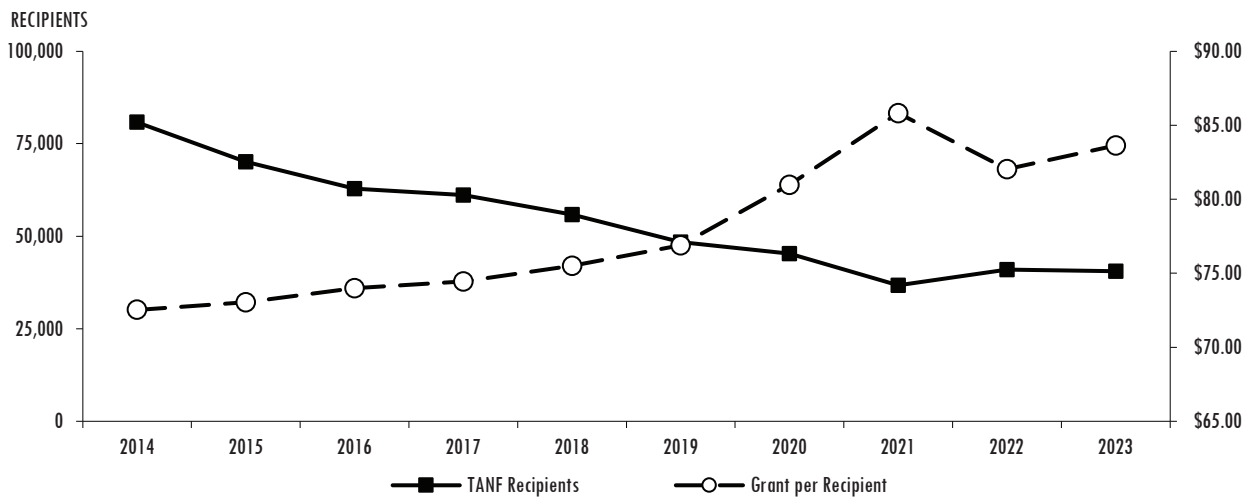
House Bill 18, Eighty-seventh Legislature, Regular Session, 2021, established the prescription drug savings program. The program will partner with a pharmacy benefit manager to make prescription drugs available to uninsured individuals at a discounted rate. Biennial appropriations for the program total \$32.6 million in General Revenue Funds, including 8.4 FTE positions in each fiscal year.

#### *CASH ASSISTANCE*

Temporary Assistance for Needy Families (TANF) grants provide time-limited cash assistance to very low-income families with children. Grants are provided to single-parent families and to two-parent families in which one or both parents are unemployed or have a disability. The monthly cash grant amount paid to a family is based on household size, income, and the family's basic needs.

Appropriations for TANF cash assistance include \$93.4 million in All Funds (\$83.6 million in General Revenue Funds). These amounts represent a decrease of \$0.6 million in General Revenue Funds, primarily due to projected caseload decreases. **Figure 147** shows changes in the TANF

**FIGURE 147**  
**CASH ASSISTANCE CASELOAD AND AVERAGE GRANT PER RECIPIENT, FISCAL YEARS 2014 TO 2023**



NOTE: TANF=Temporary Assistance for Needy Families. Targets for fiscal years 2022 and 2023 are established in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium.

SOURCES: Legislative Budget Board; Health and Human Services Commission.

caseload and grant per recipient from fiscal years 2014 to 2023. Reduced expenditures associated with decreasing numbers of caseloads are partially offset by increases associated with the average grant per recipient.

#### **SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN**

Nutrition services are delivered through the federally funded Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). This program uses smart cards, which function similarly to debit cards, to provide food assistance through electronic benefits transfer for infants, young children, and low-income pregnant and postpartum women. The program also provides nutrition education to pregnant and postpartum women. WIC rebates are collected from manufacturers of infant formula. Biennial appropriations for WIC total \$1.6 billion in All Funds, including \$0.4 billion in WIC rebates (Other Funds), and provide for 207.0 FTE positions in each fiscal year.

#### **DISASTER ASSISTANCE**

HHSC administers the Other Needs Assistance provision of the Federal Assistance to Individuals and Households Program, which provides financial assistance to victims of floods, hurricanes, tornadoes, and other disasters when insurance and other avenues of recovery are exhausted. Funding for disaster assistance is made available when the U.S. president declares a disaster. Although funds are not

appropriated explicitly for disasters, the 2022–23 GAA authorizes the transfer of funding from one or more agencies to address funding needs in response to a disaster. Onetime funding for disaster response during the 2020–21 biennium accounts for a decrease of \$79.8 million in All Funds (\$15.7 million in General Revenue Funds) during the 2022–23 biennium, including \$5.9 million in Federal Funds for COVID-19 pandemic response and \$28.3 million in All Funds (\$7.3 million in General Revenue Funds) to respond to Winter Storm Uri in February 2021.

#### **GUARDIANSHIP**

The Guardianship Services Program includes services for adults with diminished capacity; arranging for placement in facilities such as long-term-care facilities, hospitals, or foster homes; managing estates; and making medical decisions. The program serves individuals referred by Adult Protective Services at the Department of Family and Protective Services (DFPS) and courts with jurisdiction of probate matters. Funding totals \$17.9 million in All Funds (\$3.5 million in General Revenue Funds) and provides for 126.5 FTE positions in each fiscal year.

#### **NON-MEDICAID COMMUNITY SERVICES**

Non-Medicaid Community Services include services funded by the state and the federal government, including through the U.S. Social Security Act, Title XX, Social Services Block Grant, and Federal Funds from the Older Americans Act.

These services are provided in community settings to persons who are aging or have disabilities to maintain independence and avoid institutionalization. Unlike entitlement services, funding does not necessarily increase as the demand for services increases.

Funding for these programs totals \$331.8 million in All Funds (\$46.2 million in General Revenue Funds) for the 2022–23 biennium. Funding provides a decrease of \$57.2 million in Federal Funds from 2020–21 biennial spending levels, primarily due to the removal of onetime Federal Funds related to the COVID-19 pandemic. Funding for Non-Medicaid Community Services also includes a method-of-finance adjustment of \$12.2 million from General Revenue Funds to federal Social Services Block Grant funds in order to spend down an available balance.

#### **NON-MEDICAID INTELLECTUAL AND DEVELOPMENTAL DISABILITY SERVICES**

Non-Medicaid Intellectual and Developmental Disability Services provides funding to local intellectual and developmental disability authorities (LIDDA) to serve individuals with intellectual or developmental disabilities (IDD) in the community. Services can include service coordination, residential support services, employment services, day training services, and specialized therapies. Funding for these services totals \$99.8 million in All Funds (\$99.8 million in General Revenue Funds).

#### **INDEPENDENT LIVING SERVICES**

The Independent Living Services program provides services to individuals with significant disabilities, including those who are blind or visually impaired, to promote independence at home and in the community. HHSC contracts with Centers for Independent Living, which are community-based nonprofit organizations, to provide services. Services can include providing assistive technology and devices, such as hearing aids and prosthetics, or the provision of core services mandated by federal law, such as independent-living skills training and peer counseling. Combined appropriations for all services total \$29.2 million in All Funds (\$8.9 million in General Revenue Funds) and provide for 25.7 FTE positions each fiscal year.

#### **COMPREHENSIVE REHABILITATION**

The Comprehensive Rehabilitation Services program provides rehabilitation services to persons with traumatic spinal cord or traumatic brain injuries. Core services include inpatient comprehensive medical rehabilitation services,

post-acute brain injury rehabilitation services, and outpatient rehabilitation services. Comprehensive rehabilitation services are time-limited and focus on mobility, self-care, and communication skills. HHSC is estimated to serve approximately 506 individuals per month in fiscal year 2022 and 550 individuals per month in fiscal year 2023. Appropriations total \$46.5 million in All Funds (\$46.5 million in General Revenue Funds) and provide for 24.4 FTE positions in each fiscal year. Appropriations reflect a decrease of \$0.1 million in General Revenue Funds from 2020–21 biennial spending levels due to the agency-identified reductions in staff associated with the ReHab Works case management system.

#### **FAMILY VIOLENCE**

HHSC provides emergency shelter and support services to victims of family violence and their children, educates the public, and provides training and prevention support to various agencies. The agency contracts with residential and nonresidential centers. Services include shelter, transportation, legal assistance, medical assistance, educational arrangements for children, and employment assistance. Appropriations total \$78.3 million in All Funds (\$27.8 million in General Revenue Funds) and provide for 8.4 FTE positions in each fiscal year. Funding reflects an increase of \$10.0 million in Federal Funds from 2020–21 biennial spending levels, including an increase of \$13.0 million in federal TANF funds for housing and economic supports, legal services, and mental health services, and a decrease of \$3.0 million in Federal Funds due to the removal of onetime funding related to the COVID-19 pandemic.

#### **CHILD ADVOCACY PROGRAMS**

The Court Appointed Special Advocates (CASA) program provides funds to help develop and support local CASA programs, which coordinate volunteers who are court-appointed to advocate for the best interests of abused or neglected children involved in the legal and welfare systems. Appropriations for the CASA program total \$31.9 million in All Funds (\$21.7 million in General Revenue Funds and \$10.2 million in General Revenue–Dedicated Funds). Funding provides an increase of \$2.0 million in General Revenue Funds from 2020–21 biennial spending levels.

The Children’s Advocacy Center (CAC) program provides funds to develop and support local child advocacy programs that offer a coordinated, multidisciplinary response to cases of suspected child abuse. Appropriations

for the CAC program total \$69.1 million in All Funds (\$35.0 million in General Revenue Funds and \$20.2 million in General Revenue–Dedicated Funds). Funding provides increases of \$21.9 million in All Funds (\$8.0 million in General Revenue Funds and \$13.9 million in Federal Funds) from 2020–21 biennial spending levels.

### **OTHER PROGRAM AREAS**

#### **MENTAL HEALTH STATE HOSPITALS – CONSTRUCTION PROJECTS**

The Eighty-fifth Legislature, 2017, and Eighty-sixth Legislature, 2019, provided \$743.4 million from the Economic Stabilization Fund (ESF) for new construction and significant repairs at the state hospitals and other state-funded inpatient mental health facilities. HHSC used these funds to support numerous construction projects at the state hospitals, including construction of a new inpatient facility in Harris County; partial construction of replacement campuses at Austin State Hospital and San Antonio State Hospital; construction of non-maximum-security units at San Antonio State Hospital and Rusk State Hospital; and construction of maximum-security units at Kerrville State Hospital and Rusk State Hospital. HHSC also used funding for state hospital information technology (IT) infrastructure, stormwater runoff systems, and to hire FTE positions for oversight of the new projects.

An additional \$321.4 million in All Funds (\$0.1 million in General Revenue Funds and \$321.3 million from the ESF) was provided in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, for continued improvements to the state hospitals, including:

- \$124.1 million from the ESF to finish construction of a replacement campus at Austin State Hospital;
- \$152.4 million from the ESF to finish construction of a replacement campus at San Antonio State Hospital;
- \$44.8 million from the ESF to begin preplanning and planning efforts for a new state hospital in the Dallas-Fort Worth Metropolitan Area; and
- \$0.1 million in General Revenue Funds for 1.0 FTE position to oversee the construction projects.

The funding is included in fiscal year 2021 but was appropriated for a two-year period and is anticipated to be expended in the 2022–23 biennium.

Overall, onetime funding included in the 2020–21 biennium for new construction at the state hospitals and other state-funded inpatient mental health facilities accounts for a total decrease of \$542.4 million in All Funds (\$0.1 million in General Revenue Funds and \$542.3 million in Other Funds) in the 2022–23 biennium. Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, appropriated an additional \$237.8 million from the federal Coronavirus State Fiscal Recovery Fund in addition to amounts described in this chapter for the construction of a new mental health state hospital in Dallas.

#### **OTHER STATE-OWNED FACILITY SUPPORT SERVICES, REPAIRS, AND RENOVATIONS**

HHSC provides program oversight, business and communications support, and other administrative services to assist with the operation of state-owned facilities, including the SSLCs and state mental health hospitals. HHSC also receives funding for repairs, renovations, and construction projects at the state-owned facilities. Combined appropriations for all facility support services, repairs, and renovations total \$56.5 million in All Funds (\$45.1 million in General Revenue Funds) and provide for 178.6 FTE positions in each fiscal year. This is a decrease of \$369.8 million in All Funds (increase of \$2.5 million in General Revenue Funds) from 2020–21 biennial spending levels.

Amounts for Facility Program Support in 2022–23 include a net decrease of \$1.7 million in All Funds (\$1.8 million in General Revenue Funds) to partially return appropriations to 2020–21 appropriated levels. Other decreases are due primarily to the following onetime appropriations:

- \$232.5 million in Other Funds (Revenue Bond Proceeds) for deferred maintenance projects at the state-owned facilities, including \$23.7 million in Revenue Bond Proceeds provided by House Bill 2, Eighty-seventh Legislature, Regular Session, 2021;
- \$136.9 million from the ESF for deferred maintenance projects at the SSLCs and state hospitals;
- \$17.7 million in General Revenue Funds for laundry and vehicle replacement, including \$7.9 million in General Revenue Funds provided by House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and
- \$2.9 million in Other Funds (General Obligation Bond Proceeds) that HHSC was projected to spend to support repairs at state-owned facilities in fiscal year 2020.



Decreases are offset partially by an increase of \$19.1 million in General Revenue Funds for Master Lease Purchase Program lease payments and \$3.0 million in General Revenue Funds for demolition at Rusk State Hospital.

#### *ELIGIBILITY DETERMINATION*

HHSC is responsible for making eligibility determinations for TANF, CHIP, Supplemental Nutrition Assistance Program (SNAP), and Medicaid. The commission provides outreach and application assistance; develops and implements policy; and provides training, oversight, and quality assurance for eligibility and enrollment functions. HHSC also provides state oversight staff and administers the contract for the operation of the Lone Star electronic benefits transfer card system, which issues TANF and SNAP benefits to eligible recipients.

Biennial appropriations for eligibility determination functions total \$1.1 billion in All Funds (\$396.8 million in General Revenue Funds) and provide for 7,911.6 FTE positions in fiscal year 2022 and 7,954.6 FTE positions in fiscal year 2023. This funding level is a decrease of \$46.3 million in All Funds, including a decrease of \$34.0 million in General Revenue Funds, from 2020–21 biennial spending levels. The All Funds reduction is partially offset by an increase of \$2.3 million in All Funds, including \$1.2 million in General Revenue Funds, and 43.0 FTE positions provided in fiscal year 2023 to implement the provisions of House Bill 133, Eighty-seventh Legislature, Regular Session, 2021, related to eligibility determinations performed for certain women with extended Medicaid coverage. Appropriations also include an increase of \$4.7 million in Other Funds (Appropriated Receipts), offset by an equal reduction in General Revenue Funds, to align with a projected increase in collections received from health centers and other facilities.

In addition to eligibility determination functions for TANF, CHIP, SNAP, and Medicaid, HHSC also provides for functional eligibility determinations, development of individual service plans, and assistance to consumers in obtaining information and authorization for appropriate long-term-care services. Funding for long-term-care intake and access totals \$522.3 million in All Funds (\$239.5 million in General Revenue Funds), which provides for 1,265.0 FTE positions in each fiscal year. This amount is a decrease of \$26.2 million in All Funds (\$7.1 million in General Revenue Funds) from 2020–21 biennial spending levels, primarily due to decreases of \$16.7 million in Federal Funds related to the agency's response to the COVID-19 pandemic, \$3.5

million in General Revenue Funds related to agency-identified reductions or delays in hiring eligibility operations staff, and \$1.7 million in Other Funds (Appropriated Receipts) related to the completion of projects funded by Civil Money Penalties. Appropriations also assume savings of \$4.8 million in General Revenue Funds associated with Pre-Admission Screening and Resident Review Habilitation Coordination services being added to the Medicaid State Plan. These decreases are partially offset by an increase of \$0.5 million in All Funds (\$0.2 million in General Revenue Funds) for administration of a revised questionnaire to individuals on the IDD waiver interest list. Less favorable FMAPs also result in an increase of \$0.9 million in General Revenue Funds and an equal decrease of Federal Funds.

#### *TEXAS INTEGRATED ELIGIBILITY REDESIGN SYSTEM*

Texas utilizes the Texas Integrated Eligibility Redesign System (TIERS) to make eligibility determinations and enroll clients in Medicaid, CHIP, SNAP, and TANF. Appropriations to support TIERS total \$333.5 million in All Funds (\$120.1 million in General Revenue Funds), which supports 315.1 FTE positions in each fiscal year. This funding level is an increase of \$1.5 million in All Funds (decrease of \$3.2 million in General Revenue Funds), primarily due to the following changes:

- an increase of \$2.3 million in All Funds (\$0.6 million in General Revenue Funds) to implement the provisions of House Bill 133, Eighty-seventh Legislature, Regular Session, 2021;
- an increase of \$1.0 million in All Funds (decrease of \$2.0 million in General Revenue Funds) to maintain certain fiscal year 2021 spending levels for TIERS eligibility staff;
- a decrease of \$1.5 million in All Funds (\$0.8 million in General Revenue Funds) related to funding for the Winters Data Center in fiscal year 2021 provided by House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, that is not continued in 2022–23 appropriations; and
- a decrease of \$0.4 million in All Funds (\$1.0 million in General Revenue Funds) due to projected decreased costs for TIERS capital projects.

#### *ABSTINENCE EDUCATION*

Through the Abstinence Education Program, HHSC contracts with local providers for abstinence-only sex

education and, where appropriate, mentoring, counseling, and adult-supervised activities to decrease the teen pregnancy rate and the rate of sexually transmitted infections in youths ages 15 to 19. Biennial appropriations total \$14.9 million in All Funds, including \$1.0 million in General Revenue Funds and \$13.8 million in Federal Funds, and provide for 5.4 FTE positions in each fiscal year.

#### *SERVICES FOR DEAF AND HARD OF HEARING*

The agency provides services to persons who are deaf or hard of hearing through contracted services, education and training, interpreter certification, and specialized telecommunication assistance. Combined appropriations for all services total \$8.4 million in All Funds (\$5.7 million in General Revenue Funds) and provide for 24.1 FTE positions in each fiscal year.

#### *LONG-TERM AND ACUTE CARE REGULATION AND QUALITY*

Staff in the healthcare facility and community-based regulation program license and regulate nursing facilities, ICFs/IID, assisted living facilities, day activity and health services facilities, home and community support services agencies, Medicaid waiver program providers, and healthcare facilities. Staff conduct inspections, investigate complaints and provider-reported incidents, and monitor the performance of facilities found to be out of compliance with state and federal regulations. Biennial appropriations total \$218.7 million in All Funds (\$47.7 million in General Revenue Funds and \$35.4 million in General Revenue–Dedicated Funds) and provide for 1,589.6 FTE positions in fiscal year 2022 and 1,591.6 positions in fiscal year 2023.

Appropriations represent an increase of \$5.3 million in All Funds (decrease of \$24.2 million in General Revenue Funds and an increase of \$18.7 million in General Revenue–Dedicated Funds) from 2020–21 biennial spending levels for the following amounts:

- an increase of \$5.3 million in Federal Funds and 31.7 FTE positions in each fiscal year to address a backlog of surveys and intakes for long-term care facilities;
- an increase of \$3.8 million in All Funds (\$0.2 million in General Revenue Funds) for certain transfers from DFPS, anticipated federal grant levels, and other related projections;
- an increase of \$1.0 million in All Funds (\$0.9 million in General Revenue Funds) to restore partially

an agency-identified reduction to long-term care regulation and staffing;

- an increase of \$0.2 million in All Funds (\$0.1 million in General Revenue Funds) to develop a registry of Individualized Skills and Socialization (ISS) providers;
- a decrease of \$4.8 million in All Funds (\$4.1 million in General Revenue Funds) and 22.7 FTE positions in each fiscal year for agency-identified reductions to travel and hiring staff; and
- a decrease of \$0.2 million in All Funds (\$0.2 million in General Revenue Funds) related to certain onetime costs.

The long-term-care quality outreach program conducts quality-monitoring activities in long-term-care facilities. Funding totals \$10.1 million in All Funds (\$3.4 million in General Revenue Funds) and provides for 71.4 FTE positions in each fiscal year. This amount represents a decrease of \$20.8 million in All Funds (increase of \$0.5 million in General Revenue Funds) from 2020–21 biennial spending levels primarily due to certain Civil Money Penalty projects ending, which results in a decrease of \$19.8 million in Other Funds. Agency-identified reductions to quality monitoring program staff result in an additional decrease of \$1.0 million in All Funds (\$0.5 million in General Revenue Funds).

#### *CHILD CARE REGULATION*

The Child Care Regulation Program develops and enforces minimum standards for the delivery of child-care services throughout the state. Providers range in size from small family homes to large, 24-hour, residential care facilities. The program licenses, registers, or lists providers; conducts monitoring inspections; investigates complaints; takes action when violations are confirmed; and provides technical assistance and training to help providers improve services. The program also obtains abuse or neglect and criminal history information on individuals who come into contact with children in regulated settings and disseminates information about child-care services that are available throughout the state. Appropriations for Child Care Regulation total \$110.2 million in All Funds (\$75.1 million in General Revenue Funds) and provide for 865.0 FTE positions in fiscal year 2022 and 868.1 FTE positions in fiscal year 2023. This amount represents an increase of \$24.1 million in All Funds (\$25.5 million in General Revenue Funds) from 2020–21 biennial spending levels for the following changes:

- an increase of \$25.4 million in General Revenue Funds, 138.9 FTE positions in fiscal year 2022, and 142.0 FTE positions in fiscal year 2023 to address foster care litigation, including implementing caseload guidelines and performing heightened monitoring of certain residential child care facilities;
- an increase of \$1.2 million in All Funds (\$1.1 million in General Revenue Funds) and 8.0 FTE positions in each fiscal year for the transfer of certain functions from DFPS;
- a decrease of \$1.6 million in All Funds (\$0.5 million in General Revenue Funds) for certain onetime costs and projected changes in certain federal awards and collected revenue; and
- a decrease of \$0.9 million in All Funds (\$0.4 million in General Revenue Funds) for agency-identified reductions to staff support, staff resources, and software purchases.

#### **CREDENTIALING AND CERTIFICATION OF HEALTHCARE OCCUPATIONS**

The credentialing and certification program regulates certain long-term-care and behavioral health occupations. The primary activities include the nursing facility administrator licensing and enforcement function, operation of the nurse aide registry and the nurse aide training and competency evaluation program, operation of the employee misconduct registry, issuing and renewing permits for medication aides, conducting continuing education activities, and licensing marriage and family therapists, professional counselors, social workers, chemical dependency counselors, and sex offender treatment providers. Biennial appropriations total \$4.5 million in All Funds (\$3.4 million in General Revenue Funds) and provide for 40.9 FTE positions in each fiscal year. Appropriations represent a decrease of \$2.0 million in All Funds (\$1.9 million in General Revenue Funds) from 2020–21 biennial spending levels primarily due to a decrease of \$1.9 million in General Revenue Funds associated with the transfer of the regulation of marriage and family therapists, professional counselors, and social workers to the Texas Behavioral Health Executive Council.

Applications and renewals for licenses for certain occupations and facilities regulated by HHSC can be processed through the Texas.gov website. Biennial appropriations for HHSC's Texas.gov subscription total \$0.1 million in General Revenue Funds.

#### **DISABILITY DETERMINATION SERVICES**

The Disability Determination Services (DDS) program makes medical determinations of disability for Texans who apply for disability benefits through Social Security Disability Insurance or Supplemental Security Income. DDS is funded completely by the U.S. Social Security Administration. Biennial appropriations total \$211.7 million in Federal Funds and provide for 825.5 FTE positions in each fiscal year. This amount represents an increase of \$0.4 million in Federal Funds to align with the projected number of disability determinations HHSC will perform during the 2022–23 biennium.

#### **TEXAS CIVIL COMMITMENT OFFICE**

The Texas Civil Commitment Office (TCCO) is an independent agency responsible for the supervision and treatment of civilly committed sexually violent offenders. It is attached administratively to HHSC. Biennial funding for TCCO totals \$40.1 million in All Funds (\$40.0 million in General Revenue Funds) and provides for 37.0 FTE positions in each fiscal year. This amount is an increase of \$2.2 million in All Funds (\$2.3 million in General Revenue Funds) from 2020–21 biennial spending levels. General Revenue Fund increases include \$3.2 million to support projected caseload growth for the 2022–23 biennium and to provide for a per diem rate increase, \$0.7 million to support costs for certain healthcare services, \$0.2 million and 2.0 FTE positions to provide for additional case managers, and \$0.1 million to support a career ladder for case managers and for professional audit services. These increases are partially offset by a decrease of \$1.9 million in General Revenue Funds due to agency-identified reductions.

#### **OTHER PROGRAMS**

The Eighty-seventh Legislature, 2021, provided funding for a variety of other grant programs and client outreach and coordination services, including the Office of Disability Prevention for Children, the Office for e-Health, the Healthy Marriage Program, Indigent Health Care Services, and the Pediatric Tele-Connectivity Resource Program for Rural Texas. Appropriations for these programs total \$8.2 million in All Funds (\$4.4 million in General Revenue Funds). This is a decrease of \$5.0 million in All Funds (\$4.2 million in General Revenue Funds) from 2020–21 biennial spending levels, due primarily to the discontinuation of grants for an umbilical cord blood bank and onetime appropriations provided by the Eighty-sixth Legislature, 2019, for mobile stroke units.

**ADMINISTRATION****MEDICAID AND CHIP****CONTRACTS AND ADMINISTRATION**

HHSC performs administrative functions for Medicaid, including maintaining the contract for a claims administrator, supporting the Medicaid Management Information System (MMIS), and contracting with an enrollment broker. Biennial funding for Medicaid-related contracts and administration totals \$1.2 billion in All Funds (\$409.4 million in General Revenue Funds), which supports 960.5 FTE positions in fiscal year 2022 and 976.5 FTE positions in fiscal year 2023. This amount is a decrease of \$282.6 million in All Funds (\$47.5 million in General Revenue Funds) from 2020–21 biennial spending levels, primarily due to \$291.6 million in All Funds (\$34.6 million in General Revenue Funds) in supplemental funding provided in fiscal year 2021 to modernize MMIS and Vendor Drug Program systems. Other decreases include \$50.1 million in All Funds (\$22.4 million in General Revenue Funds) related to agency-identified reductions in contingency project funds, travel reductions, and other items, and \$3.9 million in All Funds (\$1.7 million in General Revenue Funds) for certain projected decreased costs or federal grants. These decreases are offset partially by the following increases:

- \$32.1 million in All Funds (\$3.4 million in General Revenue Funds) and 15.2 FTE positions in each fiscal year for technology enhancements for IDD providers, LIDDAs, and service coordinators;
- \$28.0 million in All Funds (\$6.3 million in General Revenue Funds) related to electronic visit verification (EVV) vendor fees and to make modifications to EVV-related software;
- \$1.3 million in All Funds (\$0.7 million in General Revenue Funds) to implement the provisions of Senate Bill 73, Eighty-seventh Legislature, Regular Session, 2021;
- \$0.9 million in All Funds (\$0.5 million in General Revenue Funds) and 16.0 FTE positions in fiscal year 2023 to develop a registry of ISS providers; and
- \$0.7 million in All Funds (\$0.3 million in General Revenue Funds) and 1.0 FTE position in each fiscal year to establish a proposal for an alternative reimbursement methodology for foster care and community-based care.

Similar administrative functions for the CHIP program total \$31.0 million in All Funds (\$8.5 million in General Revenue Funds), which supports 43.2 FTE positions in each fiscal year. This amount is a decrease of \$2.5 million in All Funds, offset by an increase of \$1.7 million in General Revenue Funds, from 2020–21 biennial spending levels, which is primarily due to a less favorable of EFMAP for the 2022–23 biennium and to projected decreased costs associated with a CHIP provider enrollment project.

**SYSTEM OVERSIGHT AND PROGRAM SUPPORT**

HHSC also performs administrative functions for all other internal programs and performs certain administrative functions for the Department of State Health Services and DFPS. HHSC uses a federally approved cost-allocation plan to determine the other agencies' shares of administrative costs. HHSC then bills the agencies for their allocated costs, and payments from the agencies are received as Interagency Contracts.

Enterprise Oversight and Policy consists of services such as procurement, human resources, and legal. Funding for Enterprise Oversight and Policy totals \$216.4 million in All Funds (\$84.2 million in General Revenue Funds) and provides for 1,382.9 FTE positions in each fiscal year. This is a decrease of \$14.1 million in All Funds (\$4.3 million in General Revenue Funds) primarily due to:

- \$11.4 million in All Funds (\$6.3 million in General Revenue Funds) and 21.0 FTE positions in each fiscal year associated with agency-projected reductions in staff, travel, and other administrative expenditures;
- \$4.7 million in Federal Funds related to projected less favorable FMAPs, EFMAPs, and other federal grant changes;
- \$1.1 million in General Revenue Funds associated with court monitor fees; and
- \$0.4 million in All Funds (\$0.3 million in General Revenue Funds) in supplemental funding provided in fiscal year 2021 for a systemwide business enablement platform.

These decreases are offset partially by the following increases:

- \$2.5 million in All Funds (\$2.5 million in General Revenue Funds) and 5.1 FTE positions in each fiscal year to support administrative costs associated with the development of a new reimbursement rate methodology for foster care and other child services;

- \$0.9 million in All Funds (\$0.9 million in General Revenue Funds) and 6.0 FTE positions in each fiscal year associated with the transfer of certain functions from DFPS to HHSC; and
- \$0.4 million in General Revenue Funds and 2.0 FTE positions in each fiscal year to address foster care litigation.

Information Technology Oversight and Program Support includes project management, application development and support, network management, help desk services, Internet security, and information resource procurement review. Funding for Information Technology Oversight and Program Support totals \$337.7 million in All Funds (\$152.0 million in General Revenue Funds) and provides for 662.4 FTE positions in each fiscal year. This is a decrease of \$364.5 million in All Funds (\$197.2 million in General Revenue Funds) from 2020–21 biennial spending levels. The majority of the decrease is attributable to items that received funding in fiscal year 2021 pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, including the reallocation of \$126.7 million in All Funds (\$64.3 million in General Revenue Funds) for data center services, and \$77.4 million in All Funds (\$55.9 million in General Revenue Funds) to provide for the replacement of network infrastructure, to migrate child care regulation IT systems from DFPS to HHSC, and other IT projects. Other decreases include reductions of \$25.3 million in All Funds (\$12.1 million in General Revenue Funds) in projected funding needed to support capital projects and other administrative activities; \$17.0 million in All Funds (\$10.3 million in General Revenue Funds) in onetime IT projects; and \$13.3 million in All Funds (\$10.4 million in Federal Funds and \$2.9 million in Other Funds, primarily Interagency Contracts) for projected federal grant award changes and revenue balances.

These decreases are offset partially by the following increases:

- \$13.5 million in All Funds (\$9.8 million in General Revenue Funds) to provide upgrades to the Centralized Accounting and Payroll/Personnel System;
- \$4.4 million in All Funds (\$2.9 million in General Revenue Funds) for cybersecurity advancement;
- \$3.3 million in General Revenue Funds to support activities to comply with court orders for the foster care lawsuit; and

- \$0.6 million in All Funds (\$0.3 million in General Revenue Funds) to develop a registry of ISS providers.

Central Program Support provides administrative support for other internal administrative functions, such as accounting, budget, contract and grant administration, internal audit, external relations, and legal services. Appropriations for Central Program Support total \$79.3 million in All Funds (\$38.4 million in General Revenue Funds) and provide for 583.5 FTE positions in each fiscal year. This is a decrease of \$5.2 million in All Funds (\$3.2 million in General Revenue Funds) from 2020–21 biennial spending levels, primarily due to agency-identified reductions in administrative expenses, delays in hiring central program support staff, onetime funding provided for vehicle replacement, and other revenue and federal grant projections.

Additionally, Regional Program Support provides administrative support to regional offices. Appropriations for Regional Program Support total \$200.9 million in All Funds (\$9.4 million in General Revenue Funds) and provide for 298.7 FTE positions in each fiscal year. This is a decrease of \$13.4 million in All Funds (\$0.1 million in General Revenue Funds) from 2020–21 biennial spending levels, primarily due to agency-identified reductions in administrative travel and other operating expenses.

#### *OFFICE OF INSPECTOR GENERAL*

The Office of Inspector General (OIG) is responsible for the prevention, detection, audit, inspection, review, and investigation of fraud, waste, and abuse in the provision of health and human services. OIG is charged with protecting the integrity of the Texas Medicaid program, SNAP, TANF, WIC, CHIP, and other programs through investigation of allegations of provider and recipient fraud, waste, and abuse; audit of contracts, providers, and administrative services and functions; and inspection of HHS programs, systems, and functions. OIG serves as an independent office within the HHS system, and the Inspector General is appointed by the Governor. Biennial funding for OIG totals \$108.7 million in All Funds (\$45.3 million in General Revenue Funds), which supports 608.6 FTE positions in each fiscal year including \$42.0 million in All Funds (\$14.6 million in General Revenue Funds) for direct administrative costs and allocated administrative support costs from HHSC. This amount is an increase of \$0.1 million in All Funds, including a decrease of \$0.5 million in General Revenue Funds, from 2020–21 biennial spending levels. Most of the decrease is

due to \$6.1 million in All Funds (\$2.7 million in General Revenue Funds) in agency-identified reductions in travel, delayed hiring of staff, and other administrative expenses. This decrease is partially offset by an increase of \$5.4 million in All Funds (\$2.2 million in General Revenue Funds) appropriated to OIG to replace Federal Funds previously received for clinical staff at certain matching rates and to provide OIG access to certain employment verification and income information.

## SIGNIFICANT LEGISLATION

**House Bill 2 – Supplemental appropriations and adjustments regarding appropriations.** The legislation increased appropriation authority of HHSC in fiscal year 2021 by \$839.9 million in All Funds, including \$153.2 million in General Revenue Funds and \$321.3 million from the Economic Stabilization Fund (ESF). Additional appropriation authority for fiscal year 2021 includes \$499.1 million in All Funds, including \$158.1 million in General Revenue Funds, for the following information technology projects:

- \$266.4 million in All Funds, including \$31.6 million in General Revenue Funds, for phase 1 of the MMIS modernization, procurement, and transition;
- \$126.7 million in All Funds, including \$64.3 million in General Revenue Funds, for data center consolidation;
- \$36.7 million in All Funds, including \$26.4 million in General Revenue Funds, for end-of-life and end-of-support network infrastructure, such as routers, switches, security protection, firewalls, and power supplies;
- \$25.2 million in All Funds, including \$2.9 million in General Revenue Funds, for the Vendor Drug Program Pharmacy Benefits Services Modernization to manage drug utilization;
- \$13.4 million in All Funds, including \$8.4 million in General Revenue Funds, for the systemwide business enablement platform project to support the agency's essential functions and programs;
- \$7.8 million in All Funds, including \$6.0 million in General Revenue Funds, to restore reductions for certain information technology projects;

- \$7.3 million in General Revenue Funds to migrate, upgrade, and support the current Child Care Licensing Automated Support System (CLASS), the Child Care Licensing mobile application, CLASSMate, and the Public and Provider systems from DFPS to HHSC;
- \$7.2 million in All Funds, including \$4.9 million in General Revenue Funds, for the development of an e-Discovery solution to preserve, collect, and analyze documents and information to address litigation, public information requests, and investigations;
- \$5.4 million in All Funds, including \$3.1 million in General Revenue Funds, for data center consolidation for SSLCs, critical programs, and front line employees; and
- \$3.1 million in General Revenue Funds for fiber and cabling infrastructure at state hospitals and state supported living centers.

Additional appropriation authority for fiscal year 2021 includes \$321.3 million from the ESF for mental health state hospitals, including:

- \$124.1 million to complete construction at the Austin State Hospital;
- \$152.4 million to complete construction at the San Antonio State Hospital; and
- \$44.8 million for the preplanning and planning efforts of a new state hospital in Dallas-Fort Worth.

House Bill 2 also decreased the appropriation authority of HHSC by \$182.6 million in General Revenue Funds, which was offset by an equal increase in pandemic-related federal stimulus funds for salaries and benefits related to response to the COVID-19 pandemic.

Other items include \$23.7 million in All Funds for continuing improvements to state supported living centers and state hospital facilities; \$7.9 million in General Revenue Funds for motor vehicle purchases; \$1.5 million in All Funds, including \$0.8 million in General Revenue Funds, for preventive maintenance and security stabilization of the Winters Building Data Center; \$0.1 million in General Revenue Funds for 1.0 FTE position to oversee construction projects; and a \$13.6 million decrease in General Revenue Funds for lease payments to the Master Lease Purchase Program.

**House Bill 4 – Providing healthcare services, including through Medicaid, via telemedicine or telehealth services.**

The legislation ensures that individuals receiving services under public benefits programs have the option to receive services through telemedicine, telehealth, or other information technology.

**House Bill 18 – Establishment of the prescription drug savings program for certain uninsured individuals.**

HHSC received \$32.6 million in General Revenue Funds and 8.4 FTE positions to develop and implement a prescription drug savings program that partners with a pharmacy benefit manager to make certain prescription drugs available at a discounted rate to uninsured individuals. The legislation establishes the authority for a trust fund outside the state Treasury to assist enrollees in purchasing prescription drugs and collect prescription drug rebates through the program.

**House Bill 133 – Providing benefits under Medicaid and the Healthy Texas Women (HTW) program, including the transition of HTW to a managed care program.**

The legislation increases Medicaid coverage for women enrolled during pregnancy from up to two months after giving birth to at least six months after delivery or miscarriage, and transitions HTW and case management services for children and pregnant women to a managed care program. HHSC received \$118.9 million in All Funds, including \$46.4 million in General Revenue Funds, for the 2022–23 biennium and 43.0 FTE positions in fiscal year 2023 to implement the provisions of the legislation.

**House Bill 2658 – Administration and operation of the Medicaid managed care program.**

The legislation requires HHSC to study the feasibility of developing an online portal for Medicaid interest lists, adopt rules to establish minimum performance standards for nursing facility providers, require rates with managed care organizations to include acuity and risk adjustments, provide medication therapy management services, establish procedures to identify low active participation, reimburse for preventive dental services under Medicaid, require parental consent for certain services, and provide two consecutive periods of eligibility for children younger than age 19.

**House Bill 2822 – Providing standards for the availability of antipsychotic drugs prescribed to an adult under certain circumstances.** The legislation requires HHSC to develop standards governing the vendor drug program that

do not require prior authorization for nonpreferred antipsychotic drugs.

**Senate Bill 25 – Rights of certain residents to designate an essential caregiver.** Establishes the right for certain residents to designate an essential caregiver with whom a facility, center, or program provider may not prohibit in-person visitation.

**Senate Bill 73 – Providing access to local public health entities under Medicaid.** HHSC received \$1.3 million in All Funds (\$0.7 million in General Revenue Funds) to establish a provider type for local health departments for purposes of enrollment as a provider for and reimbursement under Medicaid.

**Senate Bill 454 – Mental health services development plans as updated by HHSC and LMHAs.** The legislation requires certain groups of LMHAs to meet quarterly and requires HHSC, in coordination with the groups of LMHAs, to annually update certain plans concerning mental health services and to publish a report containing the plans.

**Senate Bill 672 – Providing reimbursement under Medicaid.** The legislation requires HHSC to provide Medicaid reimbursement for collaborative care management services provided to children and adults. HHSC is required to implement the legislation within existing funds.

**Senate Bill 1648 – Providing benefits under the Medicaid program.** The legislation authorizes Medicaid recipients with complex medical needs to continue receiving care from a specialty provider if they have an established relationship, regardless of primary health benefit plan coverage. The legislation repeals the expiration date for provisions related to the long-term care services waiver program interest list for certain clients.

**Senate Bill 8, Third Called Session – Supplemental appropriations.** The legislation increased appropriation authority of HHSC in fiscal year 2022 by \$731.1 million in Coronavirus State Fiscal Recovery Funds. Funding is provided for the following items:

- \$237.8 million for construction of a new state hospital in Dallas;
- \$75.0 million for grants to support rural hospitals;
- \$20.0 million for the creation of a consolidated internet portal for Medicaid and CHIP medical services provider data;

- \$5.0 million for technology updates to the Medicaid eligibility computer system;
- \$14,250 for the Texas Civil Commitment Office for expenditures related to the COVID-19 pandemic;
- \$15.0 million for the expansion of capacity at the Sunrise Canyon Hospital; and
- \$378.3 million for grants for staffing needs, including recruitment and retention bonuses, for nursing facilities, assisted living facilities, home health agencies, and facilities that serve persons with intellectual or developmental disabilities in an intermediate care facility.



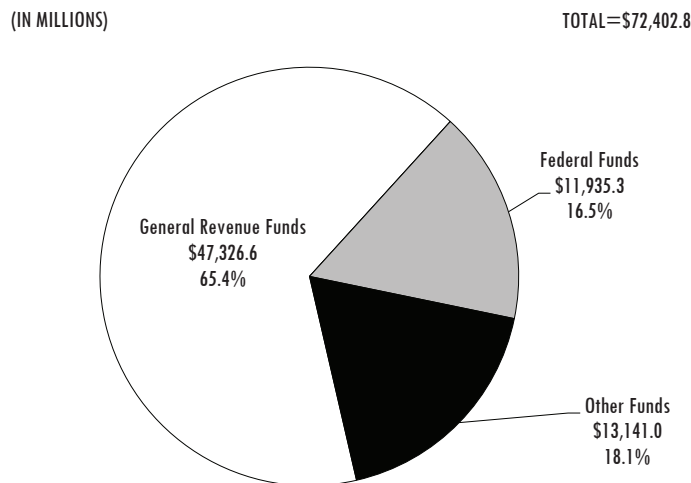
## 6. AGENCIES OF EDUCATION PUBLIC EDUCATION

Public education is the largest function of Texas state government, receiving 42.0 percent of all General Revenue Funds appropriations. The largest public education agency, the Texas Education Agency, is responsible for supporting and distributing funding to school districts and charter schools throughout the state. The public education system serves approximately 5.5 million students enrolled in 8,084 campuses, located in 1,022 districts and 782 charter school campuses. The public education function also includes the Texas School for the Blind and Visually Impaired and Texas School for the Deaf. Although the Teacher Retirement System of Texas (TRS) and the Optional Retirement Program (ORP) include higher education functions, they are considered public education entities for the purpose of the General Appropriations Act.

**FIGURE 148**  
**ARTICLE III – AGENCIES OF EDUCATION – PUBLIC EDUCATION, BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$44,843.9	\$47,326.6	\$2,482.7	5.5%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$12,249.3	\$11,935.3	(\$314.1)	(2.6%)
Other Funds	\$12,393.8	\$13,141.0	\$747.1	6.0%
<b>Total, All Methods of Finance</b>	<b>\$69,487.1</b>	<b>\$72,402.8</b>	<b>\$2,915.7</b>	<b>4.2%</b>

**SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)**



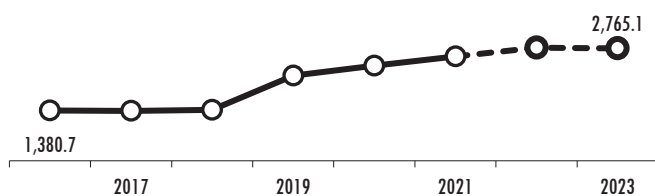
**SIGNIFICANT DEVELOPMENTS**

**Foundation School Program (FSP) appropriations total \$51.7 billion in All Funds, an increase of \$2.6 billion.** Appropriations include **\$3.0 billion for student enrollment growth and \$1.1 billion in additional state aid related to property tax compression.**

**Non-FSP programs and administration appropriations for the 2022–23 biennium total \$2.2 billion in General Revenue Funds, a biennial decrease of \$259.5 million (10.7 percent).**

**TRS appropriations include an increase in the state contribution rate to the retirement fund from 7.5 percent in the 2020–21 biennium to 7.75 percent in fiscal year 2022 and 8.0 percent in fiscal year 2023** pursuant to Senate Bill 12, Eighty-sixth Legislature, 2019. Appropriations include an **additional \$701.1 million in General Revenue Funds to provide a onetime additional annuity payment to TRS retirees** pursuant to Senate Bill 7 and House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021.

**FULL-TIME-EQUIVALENT POSITIONS**



**NOTES:**

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent (FTE) positions show actual positions for fiscal years 2016 to 2020, budgeted positions for fiscal year 2021, and appropriated positions for fiscal years 2022 and 2023.
- (3) Data shown includes Teacher Retirement System of Texas funding and FTE positions for public education purposes.

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

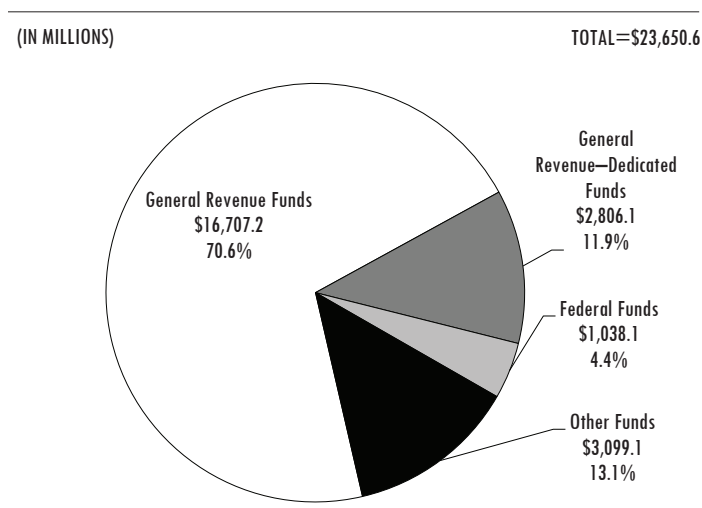
# HIGHER EDUCATION

Texas’ system of public higher education encompasses 37 general academic institutions; three lower-division institutions; 50 community and junior college districts; one technical college system; and 13 health-related institutions. Higher education also includes the Texas Higher Education Coordinating Board, whose mission is to ensure an effective system of higher education; eight Texas A&M University System agencies that provide research and training support; two constitutionally authorized funds to support new construction and maintenance programs; several statutorily authorized research funds; and funds to assist public institutions of higher education offset the waived tuition and fee revenue from the Hazlewood Legacy Program.

**FIGURE 149**  
**ARTICLE III – AGENCIES OF EDUCATION – HIGHER EDUCATION, BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$15,796.0	\$16,707.2	\$911.2	5.8%
General Revenue–Dedicated Funds	\$2,785.2	\$2,806.1	\$20.9	0.7%
Federal Funds	\$4,276.6	\$1,038.1	(\$3,238.5)	(75.7%)
Other Funds	\$3,352.4	\$3,099.1	(\$253.3)	(7.6%)
<b>Total, All Methods of Finance</b>	<b>\$26,210.3</b>	<b>\$23,650.6</b>	<b>(\$2,559.7)</b>	<b>(9.8%)</b>

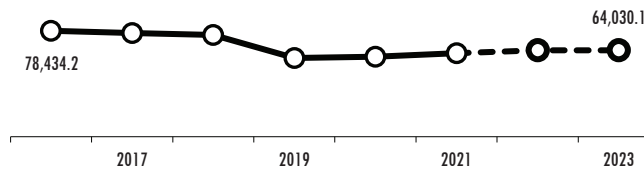
**SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)**



**SIGNIFICANT DEVELOPMENTS**

- Higher education formulas** are supported by **\$6.8 billion** in General Revenue Funds, an increase of **\$486.1 million** from the 2020–21 biennium.
- Appropriations include **\$1.1 billion** for **nonformula support** items at all institutions of higher education, a decrease of **\$69.6 million** from the 2020–21 biennium.
- Higher Education Coordinating Board** appropriations for the **TEXAS Grants program** total **\$866.5 million**, which includes an increase of **\$43.2 million** in General Revenue Funds.

**FULL-TIME-EQUIVALENT POSITIONS**



NOTES:

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent (FTE) positions show actual positions for fiscal years 2016 to 2020, budgeted positions for fiscal year 2021, and appropriated positions for fiscal years 2022 and 2023.
- (3) Data shown includes Optional Retirement Program funding and Teacher Retirement System of Texas funding and FTE positions used for higher education purposes.

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

**FIGURE 150**  
**ARTICLE III – EDUCATION APPROPRIATIONS BY AGENCY OR GROUP, ALL FUNDS**

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
<b>Public Education</b>				
Texas Education Agency	\$63,892.1	\$65,855.7	\$1,963.6	3.1%
School for the Blind and Visually Impaired	\$50.6	\$49.5	(\$1.0)	(2.0%)
School for the Deaf	\$61.9	\$64.6	\$2.7	4.4%
<b>Subtotal, Public Education (2)</b>	<b>\$64,004.6</b>	<b>\$65,969.9</b>	<b>\$1,965.3</b>	<b>3.1%</b>
<b>Public Higher Education</b>				
General Academic Institutions	\$7,486.6	\$7,821.9	\$335.3	4.5%
Health-related Institutions	\$3,444.5	\$3,446.0	\$1.5	0.0%
Texas A&M Service Agencies	\$4,902.5	\$1,851.7	(\$3,050.7)	(62.2%)
Higher Education Coordinating Board	\$1,907.5	\$1,981.2	\$73.6	3.9%
Higher Education Funds	\$3,451.5	\$3,381.5	(\$70.0)	(2.0%)
Article III, Special Provisions	\$0.0	\$0.0	\$0.0	N/A
<b>Two-year Institutions</b>				
Public Community/Junior Colleges	\$1,867.7	\$1,880.5	\$12.8	0.7%
Lamar Lower-level Institutions	\$96.7	\$109.0	\$12.3	12.7%
Texas State Technical Colleges	\$224.6	\$208.2	(\$16.3)	(7.3%)
<b>Subtotal, Two-year Institutions</b>	<b>\$2,189.0</b>	<b>\$2,197.8</b>	<b>\$8.8</b>	<b>0.4%</b>
<b>Subtotal, Public Higher Education (2)</b>	<b>\$23,381.6</b>	<b>\$20,680.1</b>	<b>(\$2,701.5)</b>	<b>(11.6%)</b>
<b>Employee Benefits</b>				
Teacher Retirement System of Texas	\$5,930.5	\$6,915.4	\$984.9	16.6%
Optional Retirement Program	\$361.0	\$371.1	\$10.1	2.8%
Higher Education Employees Group Insurance Contributions	\$1,423.5	\$1,428.6	\$5.1	0.4%
Retirement and Group Insurance	\$97.6	\$104.7	\$7.1	7.3%
Social Security and Benefit Replacement Pay	\$660.6	\$699.7	\$39.1	5.9%
<b>Subtotal, Employee Benefits</b>	<b>\$8,473.3</b>	<b>\$9,519.6</b>	<b>\$1,046.3</b>	<b>12.3%</b>
Bond Debt Service Payments	\$15.2	\$13.1	(\$2.1)	(13.7%)
Lease Payments	\$0.0	\$0.0	\$0.0	N/A
<b>Subtotal, Debt Service</b>	<b>\$15.2</b>	<b>\$13.1</b>	<b>(\$2.1)</b>	<b>(13.7%)</b>
Less Interagency Contracts	\$177.2	\$129.3	(\$47.9)	(27.0%)
<b>Total, All Functions</b>	<b>\$95,697.4</b>	<b>\$96,053.4</b>	<b>\$356.0</b>	<b>0.4%</b>

NOTES:

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

(2) Subtotals do not include employee benefits or debt service, and include Interagency Contracts.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

The Eighty-seventh Legislature, 2021, appropriated \$96.1 billion in All Funds for public and higher education for the 2020–21 biennium. This amount is an increase of \$356.0 million, or 0.4 percent from the 2020–21 biennial spending level.

House Bill 2, Eighty-seventh Legislature, Regular Session 2021, also increased funding for the 2020–21 biennium. For public education, additional 2020–21 biennial funding includes \$1.8 million for data center services and \$151.9 million in All Funds for special education support, which includes \$44.0 million in new funding and \$107.9 million in balances remaining from the prior biennium.

### PUBLIC EDUCATION

Agencies of public education, excluding the Teacher Retirement System of Texas (TRS) and Optional Retirement Program, were appropriated \$66.0 billion in All Funds for the 2022–23 biennium. This amount is an increase of \$2.0 billion, or 3.1 percent, from the 2020–21 biennial spending level. Included in these amounts are \$51.7 billion in All Funds for state aid to school districts and charter schools through the Foundation School Program (FSP). Funding for the FSP fully funds current law and includes an estimated \$3.0 billion for student enrollment growth and \$1.1 billion in additional state aid related to property tax compression pursuant to the Texas Education Code. Appropriations for property tax compression include \$100.0 million in General Revenue Funds to implement the provisions of Senate Bill 8, Eighty-seventh Legislature, Second Called Session, 2021, relating to the authority of an individual who acquires a residence homestead to receive an ad valorem tax exemption for the homestead in the year in which the property is acquired and to the protection of school districts against the resulting loss in revenue.

The Eighty-seventh Legislature appropriated an additional \$701.1 million in General Revenue Funds to provide a onetime additional annuity payment to **TRS** retirees pursuant to Senate Bill 7 and House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021. TRS funding includes an increase in the state contribution rate to the retirement fund from 7.5 percent in the 2020–21 biennium to 7.75 percent in fiscal year 2022 and 8.0 percent in fiscal year 2023 pursuant to Senate Bill 12, Eighty-sixth Legislature, 2019.

### HIGHER EDUCATION

Appropriations to support higher education, excluding end-of-article benefits, total \$20.6 billion in All Funds

for the 2022–23 biennium, a decrease of \$2.7 billion, or 11.6 percent, from the 2020–21 biennial spending level. This decrease is due primarily to future receipts of federal funding for disasters not included in the 2022–23 biennial appropriations for the Texas Division of Emergency Management.

Higher education formulas are supported by \$6.8 billion in General Revenue Funds and \$1.7 billion in General Revenue–Dedicated Funds, which primarily are from statutory tuition. Included in this amount is an increase of \$486.1 million in General Revenue Funds and a decrease of \$10.4 million in General Revenue–Dedicated Funds from statutory tuition. **Figure 151** shows the biennial change in All Funds formula appropriations for the different types of institutions. The increase in formula appropriations primarily represents the funding of enrollment growth in the various institutions' funding formulas. **Figure 151** also shows the Instruction and Operations formula rates for the different types of institutions for the 2020–21 and 2022–23 biennia.

Funding for institutions of higher education includes funding for nonformula support items, which are direct appropriations for projects specifically identified by the Legislature for support. This nonformula support item funding for the 2022–23 biennium includes General Revenue Funds appropriations shown in **Figure 152**.

Institutions were required to identify 5.0 percent reductions in budget requests for the 2022–23 biennium, the majority of which were included in reductions to nonformula support items. Additionally, the amounts shown represent the reallocation of \$75.9 million in nonformula support funding to the new health-related institutions' mission-specific formulas for the 2022–23 biennium.

Funding also represents direct support for research at general academic institutions through three formulas, including the following amounts:

- \$147.1 million in General Revenue Funds, which maintains appropriation levels from the 2020–21 biennium, for the Texas Research University Fund to the two eligible institutions, the University of Texas at Austin and Texas A&M University;
- \$117.1 million in General Revenue Funds, which maintains appropriation levels from the 2020–21 biennium, for Core Research Support to the state's eight emerging research universities; and

**FIGURE 151  
ALL FUNDS FORMULA APPROPRIATIONS AND INSTRUCTION AND OPERATIONS FORMULA RATES  
2020–21 AND 2022–23 BIENNIA**

INSTITUTIONS	APPROPRIATED		BIENNIAL CHANGE	PERCENTAGE CHANGE	I&O RATE (1)	
	2020–21	2022–23			2020–21	2022–23
General Academic Institutions	\$4,937.2	\$5,230.3	\$293.1	5.9%	\$55.85	\$55.66
Lamar State Colleges	\$56.5	\$73.9	\$17.4	30.8%	\$5.12	\$7.20
Texas State Technical Colleges (2)	\$152.9	\$163.6	\$10.7	7.0%	36.1%	35.9%
Health-related Institutions (3)	\$2,609.0	\$2,772.0	\$163.0	6.2%	\$9,622	\$9,622
Public Community and Junior Colleges	\$1,867.7	\$1,880.5	\$12.8	0.7%	\$2.72 per contact hour; \$202.53 per success point	\$2.84 per contact hour; \$247.91 per success point

NOTES:

- (1) I&O=Instruction and Operations.
- (2) The Texas State Technical College rate represents the returned value percentage.
- (3) Formula amounts for the health-related institutions include amounts appropriated to the Texas Higher Education Coordinating Board for Baylor College of Medicine.
- (4) Formula amounts do not include Board Authorized Tuition.

SOURCE: Legislative Budget Board.

**FIGURE 152  
NONFORMULA SUPPORT ITEM GENERAL REVENUE FUNDS APPROPRIATIONS, 2020–21 AND 2022–23 BIENNIA**

INSTITUTIONS	APPROPRIATED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Academic Institutions	\$767.6	\$748.1	(\$19.5)	(2.5%)
Lamar State Colleges	\$12.8	\$13.1	\$0.4	2.8%
Texas State Technical Colleges	\$19.1	\$17.9	(\$1.2)	(6.3%)
Health-related Institutions	\$322.9	\$265.0	(\$57.9)	(18.0%)
Public Community and Junior Colleges	\$32.4	\$36.0	\$3.6	9.9%

NOTE: Health-related institutions include the University of Texas Dell Medical School.

SOURCE: Legislative Budget Board.

- \$14.3 million in General Revenue Funds, which maintains appropriation levels from the 2020–21 biennium, for the Comprehensive Research Fund to institutions that are not eligible for either the Texas Research University Fund or Core Research Support.

Funding for the **Higher Education Coordinating Board** for the 2022–23 biennium includes an increase of \$73.6 million in All Funds from the 2022–23 biennium. Appropriations for the 2022–23 biennium include the following amounts:

- \$866.6 million for the TEXAS Grants program, which is an \$43.2 million increase in General Revenue Funds;
- \$88.5 million and \$7.5 million, respectively, for the Texas Educational Opportunity Grant (TEOG) Public Community College Program and the TEOG

State and Technical Colleges Program, which is an increase of \$4.4 million and \$0.4 million, respectively;

- \$178.6 million for the Tuition Equalization Grants program, which is an increase of \$8.9 million from the 2020–21 biennium;
- \$110.0 million in additional funding for Student Financial Aid; and
- \$199.1 million for the Graduate Medical Education Expansion program, which is an increase of \$45.9 million in All Funds from the 2020–21 biennium.

Appropriations for the **Texas A&M System agencies** for the 2022–23 biennium total \$1.8 billion in All Funds, which is a decrease of \$3.1 billion from the 2020–21 biennium. This funding decrease is driven primarily by the surge in federal disaster funding received by the Texas Division of Emergency Management during the 2020–21 biennium.

## TEXAS EDUCATION AGENCY

**PURPOSE:** To oversee the primary and secondary public education system in Texas through the distribution of state and federal funding, administration of statewide assessment and accountability systems, support of curriculum development and textbook adoption, administration of a public school data collection system, and supervision of compliance with state and federal regulations.

**ESTABLISHED:** 1949

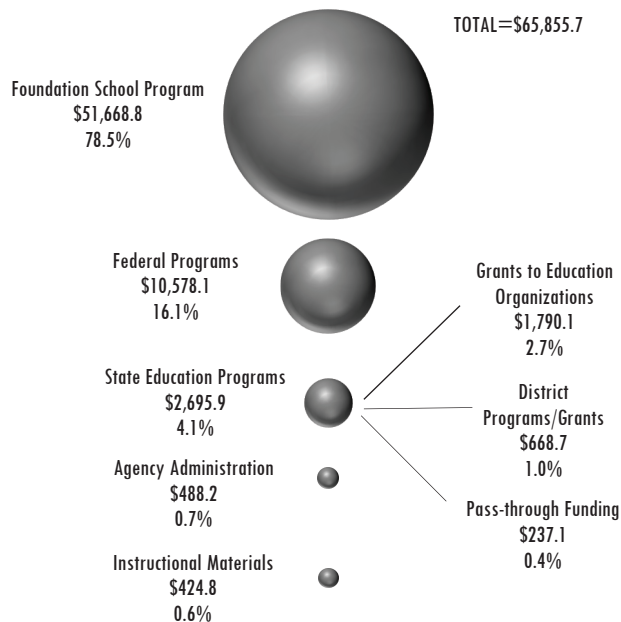
**AUTHORIZING STATUTE:** The Texas Education Code, §7.002

**GOVERNANCE:** A governor-appointed Commissioner of Education, an elected State Board of Education, and an appointed State Board for Educator Certification

**FIGURE 153**  
**TEXAS EDUCATION AGENCY BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$40,052.2	\$41,084.4	\$1,032.2	2.6%	<b>2022</b> 1,193.5  <b>2023</b> 1,165.5
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$12,222.8	\$11,902.5	(\$320.3)	(2.6%)	
Other Funds	\$11,617.1	\$12,868.8	\$1,251.7	10.8%	
<b>Total, All Methods of Finance</b>	<b>\$63,892.1</b>	<b>\$65,855.7</b>	<b>\$1,963.6</b>	<b>3.1%</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**All Funds appropriations for the Foundation School Program (FSP) total \$51.7 billion, an increase of \$2.6 billion.** FSP funding covers \$3.0 billion in projected costs related to enrollment growth and provides **\$1.1 billion for property tax relief** through the compression of school district tax rates.

**Appropriations include \$11,902.5 million in Federal Funds, a decrease of \$320.3 million.** This amount includes a \$673.4 million decrease in federal funding related to the COVID-19 pandemic, partially offset by a \$353.9 million increase in funds for the Child Nutrition Program.

**Technology and instructional materials funding totals \$424.8 million, a decrease of \$933.4 million compared to the 2020–21 biennium,** which included unexpended balances of \$312.7 million from the 2018–19 biennium.

SOURCE: Legislative Budget Board.

### MAJOR FUNDING

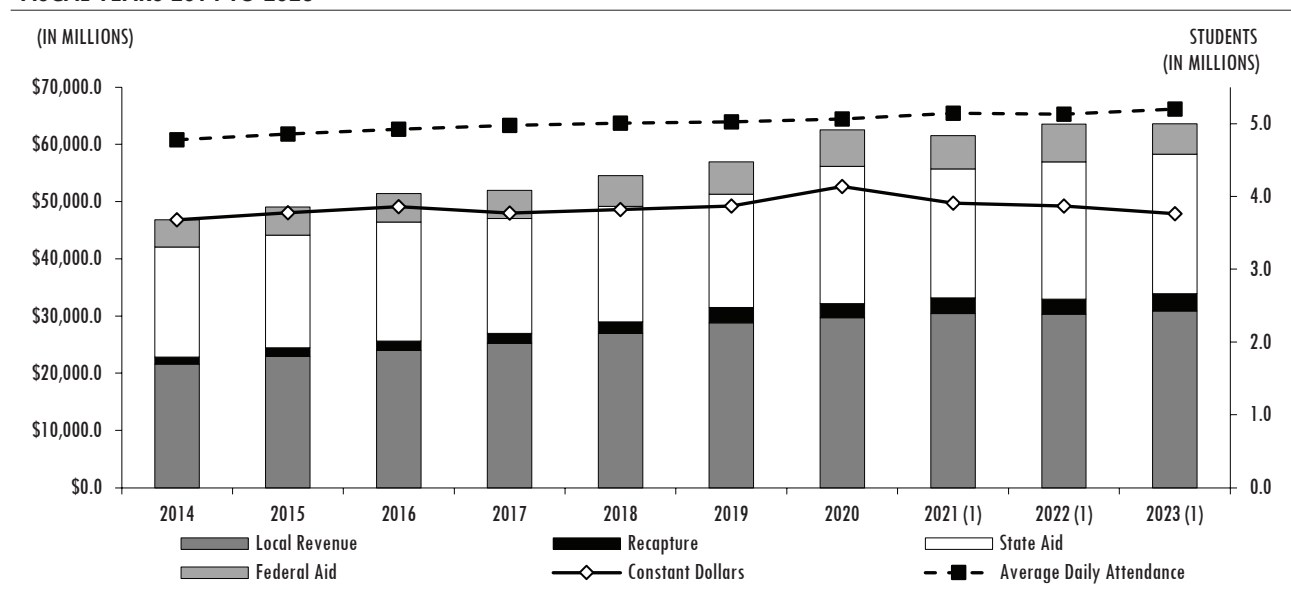
Funding for the Texas Education Agency (TEA) for the 2022–23 biennium includes General Revenue Funds increases for the Foundation School Program (FSP) of \$1.3 billion from the 2020–21 biennium for statutory entitlements associated with student growth and property tax reductions (see the **Foundation School Program** section).

In addition to the FSP, TEA administers several state and federally funded educational grant and support programs. The 2022–23 biennial appropriation for non-FSP programs and administration is \$2.2 billion in

General Revenue Funds, a decrease of \$259.5 million (10.7 percent) from 2020–21 biennial spending levels. The All Funds 2020–21 biennial appropriation for non-FSP programs and administration is \$14.2 billion, a decrease of \$668.7 million (4.5 percent) from 2020–21 biennial spending levels. This decrease is attributable primarily to a decrease of \$320.3 million in Federal Funds and the \$259.5 million decrease in General Revenue Funds.

**Figure 154** shows the change in public education revenue since fiscal year 2014 in current and constant dollars,

**FIGURE 154**  
**PREKINDERGARTEN TO GRADE 12 TEXAS EDUCATION AGENCY FUNDING IN ACTUAL AND CONSTANT DOLLARS**  
**FISCAL YEARS 2014 TO 2023**



YEAR	ACTUAL DOLLARS				TOTAL ACTUAL DOLLARS	TOTAL CONSTANT DOLLARS (2)	AVERAGE DAILY ATTENDANCE (3)
	LOCAL REVENUE	RECAPTURE	STATE AID	FEDERAL AID			
2014	\$21,603.7	\$1,212.8	\$19,233.6	\$4,763.1	\$46,813.2	\$46,813.2	4,778,014
2015	\$22,939.4	\$1,492.6	\$19,687.0	\$4,925.5	\$49,044.6	\$48,025.6	4,853,101
2016	\$24,019.2	\$1,587.5	\$20,792.9	\$4,997.1	\$51,396.7	\$49,083.1	4,922,493
2017	\$25,223.7	\$1,721.9	\$20,098.2	\$4,907.2	\$51,951.0	\$47,964.7	4,972,376
2018	\$26,939.2	\$2,004.9	\$20,213.4	\$5,380.7	\$54,538.2	\$48,598.1	5,005,005
2019	\$28,780.3	\$2,702.8	\$19,818.5	\$5,647.9	\$56,949.5	\$49,226.6	5,020,341
2020	\$29,724.9	\$2,433.2	\$23,980.7	\$6,383.8	\$62,522.5	\$52,640.4	5,061,017
2021 (1)	\$30,442.8	\$2,737.0	\$22,512.4	\$5,839.0	\$61,531.3	\$49,726.4	5,140,653
2022 (1)	\$30,332.2	\$2,636.3	\$23,963.9	\$6,581.8	\$63,514.3	\$49,191.6	5,127,583
2023 (1)	\$30,894.1	\$3,015.5	\$24,337.5	\$5,320.7	\$63,567.7	\$47,871.8	5,199,282

**NOTES:**

- (1) Amounts for fiscal year 2021 are estimated; amounts for fiscal years 2022 and 2023 are projected.
- (2) Constant dollars are calculated with compounded state population and inflation growth.
- (3) Average Daily Attendance for fiscal years 2020 and 2021 includes additional student attendance to maintain district funding during the COVID-19 pandemic.

SOURCES: Legislative Budget Board; Comptroller of Public Accounts; Texas Education Agency.

using compounded state population and inflation growth, and the number of students in average daily attendance (ADA).

**FUNDING FOR PUBLIC EDUCATION INITIATIVES**

The Eighty-seventh Legislature, 2021, provided significant funding for multiple new education initiatives during the 2022–23 biennium.

**HOUSE BILL 1525, REGULAR SESSION, 2021**

House Bill 1525, Eighty-seventh Legislature, Regular Session, 2021, made various changes to public education funding and requirements related to school accountability, personnel, and instruction. The legislation modifies the FSP formulas, including establishing the Gifted and Talented Allotment and amending the calculation of the following elements: the Career and Technology Education Allotment; the Fast Growth Allotment; the College, Career, and Military Readiness Outcomes Bonus; the Formula Transition Grant; and Recapture Payments. Regarding disasters, House Bill 1525 authorizes reimbursements to school districts for disaster remediation costs associated with Winter Storm Uri, which moved into Texas in February 2021. The legislation modifies the authority of the Commissioner of Education to hold districts harmless for attendance decreases due to a disaster. Additionally, the legislation establishes the Texas Commission on Special Education Funding to develop recommendations for financing special education.

To implement changes to the FSP, appropriations to TEA for the 2022–23 biennium include:

- \$35.0 million in General Revenue Funds for reimbursements related to Winter Storm Uri;
- \$1.1 billion in Federal Funds to hold school districts and charter schools harmless for attendance decreases related to the COVID-19 pandemic during school year 2020–21;
- an estimated \$396.0 million in General Revenue to provide additional funding to certain districts to maintain compliance with Maintenance of Effort and Equity requirements for federal funding related to the COVID-19 pandemic; and
- \$506.7 million in General Revenue Funds for increased costs associated with changes to various FSP allotments.

The Legislature appropriated the following 2022–23 biennial amounts for a range of new programs and initiatives that exist outside of the FSP:

- Changes in Instructional Practice: \$1.4 billion in All Funds, which includes \$406.0 million in General Revenue Funds and \$944.0 million in Federal Funds;
- Ensure Minimum COVID-19 Funding Level Per Student Across All Local Education Agencies: \$46.0 million in Federal Funds;
- Supplemental Funding for Acceleration for Low Elementary and Secondary School Emergency Relief Funds (ESSER) Districts via Formula: \$161.0 million in Federal Funds;
- Career-Focused High Schools: \$118.0 million in General Revenue Funds;
- COVID-19 Remediation Program (At-risk and Transitional Child Care): \$5.0 million in General Revenue Funds;
- Dyslexia and Autism Grants: \$100.0 million in General Revenue Funds;
- High-speed Broadband at Home: \$8.0 million in Federal Funds; and
- High-dosage Tutoring Infrastructure: \$100.0 million in Federal Funds.

House Bill 1525 also makes numerous changes to education policy. Significant changes include establishing programs and requirements related to student academic performance, including a tutoring program to provide supplemental instruction and resource campus designations for certain school district campuses that receive an accountability rating of F. Additionally, the legislation includes changes relating to human sexuality instruction, including new requirements for the adoption of curriculum and parental consent.

**SCHOOL SAFETY**

The Eighty-sixth Legislature, 2019, implemented several programs to improve public school safety. This included one-time funding of \$100.0 million from the Economic Stabilization Fund for a school safety infrastructure grant program. Senate Bill 11, Eighty-sixth Legislature, 2019, established the FSP school safety allotment, which provides an entitlement related to school safety for each student in ADA. The Eighty-seventh Legislature, 2021, provided



\$100.0 million for a School Safety Allotment of \$9.72 per student in ADA. This level of funding is equivalent to the amount provided during the preceding biennium. The Legislature also provided \$2.0 million in General Revenue Funds for customized school safety programming and provided \$5.7 million in new funding for fingerprint kits for school children.

#### **FUNDING FOR SPECIAL EDUCATION**

In April 2018, TEA released the Special Education Strategic Plan, drafted in part to implement corrective actions required by the U.S. Department of Education to address noncompliance with the federal Individuals with Disabilities Education Act (IDEA). The Eighty-sixth Legislature, 2019, authorized TEA to use \$10.0 million in federal IDEA, Part B, funds for the 2020–21 biennium to fund an additional 54.0 full-time-equivalent (FTE) positions to support the implementation of the agency's Special Education Strategic Plan. The Eighty-seventh Legislature, 2021, continues this funding in the 2022–23 biennium. The Legislature also appropriated \$151.9 million in General Revenue Funds to ensure state compliance with special education maintenance of financial support obligations for fiscal year 2021. Of this amount, \$107.9 million had been appropriated in the prior biennium but was unspent.

#### **SCHOOL PROPERTY TAX REDUCTIONS**

The Eighty-seventh Legislature, 2021, passed several bills reducing school property taxes paid by the owners of residence homesteads. Beginning January 1, 2022, pursuant to Senate Bill 8, Eighty-seventh Legislature, Second Called Session, 2021, eligible homeowners who purchase a home after January 1 may receive a homestead exemption for the portion of the tax year they owned the home. Prior to the legislation, if an individual purchased a property intended to be a residence homestead but did not receive a homestead exemption at the time of acquisition, they were required to wait until January 1 of the following year to claim a homestead exemption. If taxes have already been paid for the property at the time the owner qualifies for the exemption, the legislation requires the tax collector to refund the taxpayer for the difference and provides additional state aid to school districts to offset the cost of those refunds. House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021, appropriates an additional \$100.0 million in General Revenue Funds for the 2022–23 biennium for this purpose.

Two additional bills related to school property tax reduction were passed by the Eighty-seventh Legislature and would

take effect pending voter approval of each bill's respective constitutional amendment. Senate Bill 12, Eighty-seventh Legislature, Second Called Session, 2021, would recalculate the property tax ceiling on residence homesteads for individuals who are age 65 and older or disabled to include the rate reduction due to the compression of school district Tier 1 maximum compressed tax rates. Senate Bill 1, Eighty-seventh Legislature, Third Called Session, 2021, would increase the mandatory residence homestead exemption from \$25,000 to \$40,000. Both bills would provide districts with additional state aid to offset revenue losses. Senate Bill 12 would take effect with the tax year beginning on January 1, 2023, pending voter approval of the constitutional amendment proposed by Senate Joint Resolution 2, Eighty-seventh Legislature, Second Called Session, 2021. Senate Bill 1 would take effect with the tax year beginning on January 1, 2022, pending voter approval of the constitutional amendment proposed by Senate Joint Resolution 2, Eighty-seventh Legislature, Third Called Session, 2021.

#### **PROGRAMS**

The agency carries out its responsibilities through seven major program areas: (1) Foundation School Program; (2) instructional materials; (3) district programs and grants; (4) grants to education organizations; (5) pass-through funding; (6) federal education programs; and (7) agency administration.

#### **FOUNDATION SCHOOL PROGRAM**

The FSP is the principal vehicle for distributing state aid to school districts, which in turn use state funds, local property tax revenue, and federal funding to provide educational services. FSP is the largest appropriation item for TEA, accounting for 78.5 percent of the agency's 2022–23 biennial All Funds appropriation. It is also the largest single appropriation item in the state budget from General Revenue Funds and General Revenue–Dedicated Funds. The Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium, Article III, TEA, Strategies A.1.1, FSP – Equalized Operations and A.1.2, FSP – Equalized Facilities, address FSP appropriations, and set-aside appropriations in other strategies address programs that are funded statutorily from the FSP.

All Funds appropriations to FSP for the 2022–23 biennium total \$51.7 billion, representing a \$2.6 billion increase from the 2020–21 biennial spending level. Appropriations of General Revenue Funds contribute \$38.9 billion of this total, a \$1.3 billion increase from the 2020–21 biennium.

**FIGURE 155  
MAJOR FOUNDATION SCHOOL PROGRAM (FSP) GENERAL REVENUE FUNDS COST DRIVERS AND LEGISLATIVE ACTIONS  
2022–23 BIENNIUM**

CURRENT LAW OBLIGATIONS AND COST DRIVERS GREATER THAN 2020–21 BIENNIUM	GENERAL REVENUE FUNDS (IN MILLIONS)
Projected Student Enrollment Growth:	\$3,034.2
Fiscal Year 2022 – (13,000)	
Fiscal Year 2023 – 72,000	
Projected School District Property Value and Revenue Increase:	(\$2,262.7)
Tax Year 2020 – 4.01% (Budgeted), 6.23% (Actual)	
Tax Year 2021 – 1.84%	
Tax Year 2022 – 4.36%	
Estimated Tax Rate Compression and Other Property Tax Reductions	\$1,080.5
Adjustment for Onetime Federal Funds, 2020–21 Biennium	\$1,145.9
Onetime Federal Funds, 2022–23 Biennium	(\$1,141.1)
Formula Changes for House Bill 1525, Eighty-seventh Legislature, Regular Session, 2021	\$506.7
Aid to Districts Impacted by Hurricane Harvey, 2020–21 Biennium	(\$636.0)
Reimbursements Related to Winter Storm Uri	\$35.0
Maintenance of Effort and Equity for Federal Funds Related to the COVID-19 Pandemic	\$396.0
Settle-up	(\$174.5)
Enrichment Tax Effort, Prior Year Adjustment, and Other Adjustments	\$656.7
<b>Total, 2022–23 Biennial Cost Drivers</b>	<b>\$2,640.7</b>
Changes in non-General Revenue Funds Methods of Finance	
Recapture Increase Greater Than Base	(\$475.6)
Property Tax Relief Fund Increase Compared to Base	(\$1,214.2)
Tax Reduction and Excellence in Education Fund Increase Compared to Base	(\$286.7)
Economic Stabilization Fund Adjustment	\$636.0
<b>Total, Net FSP Comparison to 2020–21 Biennial Base, General Revenue Funds</b>	<b>\$1,300.2</b>
NOTE: Tax Rate Compression and Other Property Tax Reductions include: (1) statutorily required Tier 1 rate compression based on projected statewide average property value growth and district property value growth; (2) a decrease of 0.3 percent to the State Compression Percentage pursuant to the General Appropriations Act, 2022–23 Biennium, Article III, TEA, Rider 3. Foundation School Program Funding; and (3) \$100.0 million to implement the provisions of Senate Bill 8, Eighty-seventh Legislature, Second Called Session, 2021.	
SOURCE: Legislative Budget Board.	

The increase is attributable primarily to enrollment growth in public schools and the compression of Tier 1 tax rates, partially offset by increased local revenue due to projected growth in district property values.

**Figure 155** shows the major cost drivers for FSP for the 2022–23 biennium, compared to the 2020–21 biennial spending level. The combined effect of major cost drivers is an increase in state FSP obligations of approximately \$1.3 billion in General Revenue Funds.

Increases in the overall cost of the FSP to the state are attributed to two primary cost drivers. An estimated \$3.0 billion in additional funding for projected student enrollment growth represents the largest cost driver from the 2020–21

biennium. This projection includes an increase of about 59,000 students in ADA from fiscal years 2021 to 2023. Additionally, appropriations for enrollment growth fund an increase in the number of students who generate higher levels of weighted funding through various FSP allotments, equal to an increase of about 235,000 students in weighted average daily attendance during fiscal year 2021.

Property tax reductions are the second major cost driver, resulting in a projected \$1.1 billion increase for the 2022–23 biennium. This amount includes funding for statutorily required Tier 1 rate compression based on estimated statewide average property value growth and district property value growth. (See the section regarding **House Bill 3 Property Tax Compression**.) It also includes

appropriations to further compress statewide property tax rates by reducing the State Compression Percentage by 0.3 percent each fiscal year, and to implement the provisions of Senate Bill 8, Eighty-seventh Legislature, Second Called Session, 2021, which provides a homestead exemption for new homeowners.

Offsetting these two major cost increases is a savings of approximately \$2.3 billion for the 2022–23 biennium due to the growth of local property values, which increases property tax collections and decreases the level of state aid required to fund school district FSP entitlement. (See the section regarding **State and Local Revenue Contribution**.)

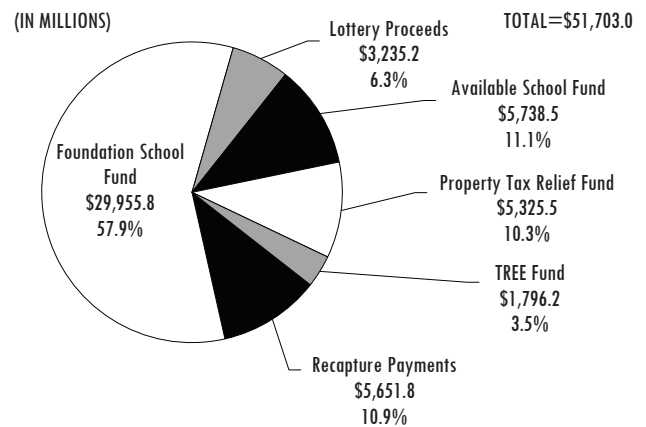
Although overall FSP state costs increased by \$2.6 billion for the 2022–23 biennium, costs to General Revenue Funds increased by \$1.3 billion due to a projected \$1.3 billion increase in Other Funds, including Recapture Payments – Attendance Credits, Property Tax Relief Fund, and Tax Reduction and Excellence in Education (TREE) Fund. The FSP is structured so that any change in estimated revenue from a dedicated revenue stream is made up by an opposite and equal change in General Revenue Funds. As a result, increases in Other Funds from the previous biennium will decrease the General Revenue Funds required to finance the FSP. Additionally, settle-up contributed to General Revenue Funds savings. School districts are paid based on estimates of major cost drivers such as student counts and local property values, and the state settles up with districts during the following school year based on actual data.

**FOUNDATION SCHOOL PROGRAM FUNDING SOURCES**

**Figure 156** shows all the appropriated sources that fund the FSP for the 2022–23 biennium. General Revenue Funds contribute an estimated 75.3 percent of the FSP appropriation through three sources: the Available School Fund (ASF), Texas Lottery Proceeds, and the Foundation School Fund, which is an amount distributed from the state’s General Revenue Funds sufficient to fulfill the state’s FSP funding obligation.

FSP funding sources that are not General Revenue Funds are categorized as Other Funds. An additional \$5.3 billion is projected to come from the Property Tax Relief Fund (PTRF), made up of certain revenue generated by the state’s franchise tax, tobacco taxes, and a tax on used car sales. Wealth-equalizing recapture payments, budgeted as Recapture Payments – Attendance Credits, from property-wealthy school districts are estimated to generate \$5.7 billion and are used to offset the state cost of the school finance

**FIGURE 156**  
**FOUNDATION SCHOOL PROGRAM APPROPRIATIONS**  
**BY FUNDING SOURCE, 2022–23 BIENNIUM**



NOTE: General Revenue Funds include Foundation School Fund, Lottery Proceeds, and the Available School Fund. Other Funds include the Property Tax Relief Fund, Tax Reduction and Excellence in Education (TREE) Fund, and Recapture Payments. SOURCE: Legislative Budget Board.

system. Statute requires that recapture payments are used only as a source of funding for the FSP.

Additionally, the TREE Fund (Other Funds) consists of deposits of certain sales and use tax collections, money appropriated to the fund by the Legislature, and annual transfers in excess of \$300.0 million from the Permanent School Fund to the ASF by the School Land Board or the State Board of Education, pursuant to the Texas Constitution, Article VII, Section 5(g). Appropriations from the TREE Fund may be used only to pay the cost of Tier 1 allotments in the FSP or for the purpose of decreasing school district maintenance and operations ad valorem tax rates. These appropriations total \$1.8 billion for the 2022–23 biennium.

Revenues from the ASF, Lottery Proceeds, PTRF, TREE Fund, and Recapture Payments are all estimated, and during the biennium they may increase or decrease based on actual revenue collections. The Foundation School Fund also is estimated; however, it draws generally from the state Treasury. These estimated appropriations constitute a sum-certain All Funds appropriation amount for the FSP. In practice, if revenue for the ASF, Lottery Proceeds, PTRF, TREE Fund, or Recapture Payments is greater than estimated, the General Revenue Funds drawn through the Foundation School Fund decreases; conversely, if revenue is less than expected, the General Revenue Funds cost increases.

**FIGURE 157**  
**STATE AND LOCAL FOUNDATION SCHOOL PROGRAM FUNDING FOR COMBINED MAINTENANCE AND OPERATIONS AND FACILITIES, FISCAL YEARS 2014 TO 2023**

YEAR	LOCAL	RECAPTURE	STATE	TOTAL	PERCENTAGE STATE SHARE
2014	\$21,603.7	\$1,212.8	\$18,772.6	\$41,589.1	45.1%
2015	\$22,939.4	\$1,492.6	\$18,779.1	\$43,211.0	43.5%
2016	\$24,019.2	\$1,587.5	\$19,873.3	\$45,480.0	43.7%
2017	\$25,223.7	\$1,721.9	\$19,388.2	\$46,333.8	41.8%
2018	\$26,939.2	\$2,004.9	\$19,100.2	\$48,044.3	39.8%
2019	\$28,780.3	\$2,702.8	\$18,424.4	\$49,907.5	36.9%
2020	\$29,724.9	\$2,433.2	\$22,128.5	\$54,286.5	40.8%
2021	\$30,442.8	\$2,737.0	\$22,208.7	\$55,388.5	40.1%
2022	\$30,332.2	\$2,636.3	\$23,061.1	\$56,029.7	41.2%
2023	\$30,894.1	\$3,015.5	\$23,413.6	\$57,323.1	40.8%

NOTES:

- (1) Amounts for fiscal years 2020 and 2021 are estimated, and amounts for 2022 and 2023 are projected.
- (2) The State category includes appropriations from the Economic Stabilization Fund of \$806.5 million for fiscal year 2019, \$424.0 million for fiscal year 2020, and \$212.0 million for fiscal year 2021 for districts affected by Hurricane Harvey. The category also includes federal funding from the Coronavirus Relief Fund of \$1,145.9 million in fiscal year 2020 and \$1,141.1 million in fiscal year 2021 to hold districts harmless for attendance decreases related to the COVID-19 pandemic.

SOURCE: Legislative Budget Board.

**FIGURE 158**  
**STATE AND LOCAL FOUNDATION SCHOOL PROGRAM SHARES FOR MAINTENANCE AND OPERATIONS FISCAL YEARS 2014 TO 2023**

YEAR	LOCAL	RECAPTURE	STATE	TOTAL	PERCENTAGE STATE SHARE
2014	\$18,269.6	\$1,212.8	\$18,038.0	\$37,520.4	48.1%
2015	\$19,620.4	\$1,492.6	\$18,044.4	\$39,157.5	46.1%
2016	\$20,438.4	\$1,587.5	\$19,138.6	\$41,164.5	46.5%
2017	\$21,499.9	\$1,721.9	\$18,653.6	\$41,875.3	44.5%
2018	\$23,007.7	\$2,004.9	\$18,563.7	\$43,576.3	42.6%
2019	\$24,620.3	\$2,702.8	\$17,934.3	\$45,257.3	39.6%
2020	\$25,338.7	\$2,433.2	\$21,726.8	\$49,498.7	43.9%
2021	\$25,997.4	\$2,737.0	\$21,923.6	\$50,658.0	43.3%
2022	\$26,021.5	\$2,636.3	\$22,617.5	\$51,275.3	44.1%
2023	\$26,508.1	\$3,015.5	\$22,989.9	\$52,513.5	43.8%

NOTES:

- (1) Amounts for fiscal years 2020 and 2021 are estimated, and amounts for 2022 and 2023 are projected.
- (2) The State category includes appropriations from the Economic Stabilization Fund of \$806.5 million for fiscal year 2019, \$424.0 million for fiscal year 2020, and \$212.0 million for fiscal year 2021 for districts affected by Hurricane Harvey. The category also includes federal funding from the Coronavirus Relief Fund of \$1,145.9 million in fiscal year 2020 and \$1,141.1 million in fiscal year 2021 to hold districts harmless for attendance decreases related to the COVID-19 pandemic.

SOURCE: Legislative Budget Board.

**STATE AND LOCAL REVENUE CONTRIBUTION**

The 2022–23 biennial FSP appropriation, in combination with \$1.1 billion in federal funding related to the COVID-19 pandemic and an estimated \$66.9 billion in local property tax revenue, represents the \$119.0 billion total FSP entitlement for the 2022–23 biennium, as shown in **Figures 157, 158, and 159**.

FSP is a shared funding model, depending on contributions from state and local revenue sources to fund the level of entitlement generated by the statutory formulas. As such, fluctuations in local property tax revenue partially determine the amount of state funding needed to fund district entitlement in the school finance system. The measure of the proportion of the FSP system funded from state revenues is referred to as the state share.

**FIGURE 159**  
**STATE AND LOCAL FOUNDATION SCHOOL PROGRAM SHARES FOR FACILITIES, FISCAL YEARS 2014 TO 2023**

YEAR	LOCAL	STATE	TOTAL	PERCENTAGE STATE SHARE
2014	\$3,334.1	\$642.5	\$3,976.6	16.2%
2015	\$3,318.9	\$585.6	\$3,904.6	15.0%
2016	\$3,580.9	\$671.0	\$4,251.9	15.8%
2017	\$3,723.8	\$645.8	\$4,369.6	14.8%
2018	\$3,931.4	\$536.6	\$4,468.0	12.0%
2019	\$4,160.0	\$490.1	\$4,650.2	10.5%
2020	\$4,386.2	\$401.6	\$4,787.8	8.4%
2021	\$4,445.4	\$285.1	\$4,730.5	6.0%
2022	\$4,310.8	\$443.6	\$4,754.4	9.3%
2023	\$4,385.9	\$423.7	\$4,809.6	8.8%

NOTE: Amounts for fiscal years 2020 and 2021 are estimated, and amounts for 2022 and 2023 are projected.  
 SOURCE: Legislative Budget Board.

Figure 157 shows that, from fiscal year 2014 to 2019, local revenue driven by strong property value growth outpaced both FSP entitlement increases and additional property tax relief, resulting in a steady decrease in the state share. House Bill 3, Eighty-sixth Legislature, 2019, stopped this trend by providing automatic compression to Tier 1 tax rates to offset property value growth exceeding 2.5 percent annually. (See the section regarding **House Bill 3 Property Tax Compression**.) The total state share is projected to be 41.2 percent for fiscal year 2022 and 40.8 percent for fiscal year 2023, or 44.1 percent for fiscal year 2022 and 43.8 percent for fiscal year 2023 when only maintenance and operations (M&O) funding is considered.

**HOUSE BILL 3 PROPERTY TAX COMPRESSION**

School district M&O tax rates are made up of the district’s Tier 1 tax rates and, for most districts, an additional Tier 2 tax rate, which is an optional enrichment tax rate. Following the enactment of House Bill 3, Eighty-sixth Legislature, 2019, Tier 1 tax rates are compressed annually based on the amount that a district’s property value growth rate or the statewide average property value growth rate exceeds 2.5 percent, whichever is greater. The tax rate based on statewide average property value growth is known as the State Compression Percentage (SCP). For example, if the Comptroller of Public Accounts projected property values to increase by 4.0 percent statewide, the SCP would compress by 1.4 percent (divide the previous SCP by 104.0 percent and multiply by 102.5 percent). If a district’s property value growth rate exceeds the statewide average, the Tier 1 tax rate is compressed even further until it reaches a minimum rate for that year, equal to 90.0 percent of the highest district’s

rate. For most districts, this compression has the effect of limiting the growth of property tax collections to no more than 2.5 percent per year, even in years with significant property value growth.

In addition to the statutorily required compression based on property value growth, the SCP may be reduced further by legislative appropriation. For the 2022–23 biennium, appropriations reduce the SCP by an additional 0.3 percent each fiscal year.

House Bill 3 also provides for future compression of Tier 2 copper pennies, which are subject to recapture and are currently the last \$0.09 of tax effort per \$100 of property valuation levied by school districts. (See the section regarding **Maintenance and Operations – Tier 2**.) Pursuant to House Bill 3, increases in the Basic Allotment increase the guaranteed level of state and local funding districts generate per copper penny. This additional funding per penny is used to lower district tax rates so that districts receive the same total amount of copper penny funding.

**FOUNDATION SCHOOL PROGRAM STRUCTURE**

FSP includes a two-tiered structure to provide M&O funding for basic program costs and enrichment of the program, and a separate structure to provide state aid for district debt service, most commonly for facilities construction bonds. The system contains a set of funding formulas by which every school district’s total revenue entitlement, local tax revenue, and the resulting state aid is determined. The formulas are established by the Legislature in the Texas Education Code, and certain portions are specified further in the GAA. District information, including property values, level of tax

effort, the number and type of students, and certain district characteristics are entered into these formulas to compute entitlement. The portion of this entitlement that is not covered by eligible local revenue is funded with state aid.

**MAINTENANCE AND OPERATIONS – TIER 1**

The majority of district entitlement for M&O is provided in Tier 1 through the funding formula element called the Basic Allotment, which is an amount of total state and local funding that the state guarantees to districts per student in ADA. This Basic Allotment then is adjusted for student characteristics, such as whether a student is determined to be entitled to bilingual education, compensatory education, or special education services, among other factors. The additional funding earned by these student populations contribute to the calculation of an adjusted student count for each school district, called weighted average daily attendance.

**MAINTENANCE AND OPERATIONS – TIER 2**

The final major funding formula for M&O entitlement is the enrichment tier, or Tier 2, established during fiscal year 2006 to provide meaningful tax-rate discretion to school districts. Tier 2 provides a guaranteed yield per penny of property tax effort levied greater than the Tier 1 tax rate. The first eight pennies of tax effort are called golden pennies because they generate a higher yield and are not subject to recapture; a district is guaranteed \$98.56 per weighted student per penny of tax effort. The remaining pennies are called copper pennies because they have a lower yield and are subject to recapture; a district is guaranteed \$49.28 per weighted student per penny of tax effort.

**PUBLIC SCHOOL FACILITIES**

State funding to assist school districts with debt-service costs related to public school facilities is conducted through two programs: the Instructional Facilities Allotment (IFA) and the Existing Debt Allotment (EDA). Both programs provide state aid to equalize interest-and-sinking (I&S) tax effort. IFA equalizes I&S tax effort at \$35.00 per \$0.01 per student in ADA. EDA equalizes I&S tax effort at an estimated \$39.40 per \$0.01 per student in ADA for fiscal year 2022. The Texas Education Code also provides facilities funding for charter schools equal to a statewide total of \$60.0 million per fiscal year.

Although the basic structure of IFA and EDA is similar, some key differences separate the two programs. IFA

funding is limited to instructional facilities, whereas district debt service for any type of facility is potentially eligible for EDA support. IFA is a sum-certain appropriation, and the Legislature makes specific appropriation decisions regarding new grant awards. In contrast, debt service is eligible automatically for EDA funding during a biennium if the district made a payment during the previous biennium. EDA assistance is restricted to \$0.29 of tax effort. The Legislature did not appropriate any funding for new grants through the IFA for the 2022–23 biennium.

The Eighty-fifth Legislature, Regular Session, 2017, first provided \$60.0 million per fiscal year for charter school facilities funding statewide during the 2018–19 biennium. Current law maintains charter school facility funding at the same amount for the 2022–23 biennium.

Total state aid for facilities programs is \$867.3 million for the 2022–23 biennium.

**RECAPTURE REVENUE**

To address inequities among school districts in terms of access to revenue for public education, the Texas Education Code, Chapter 49, requires certain school districts in which a calculation of local revenue (based on local property values) exceeds entitlement to exercise one of five options to reduce property tax revenue available to the district. All school districts currently required to exercise an option choose to remit tax revenues associated with property value in excess of entitlement directly to the state through a process called recapture. Recapture revenue is used only as a method of financing the state’s FSP obligations, and it is not used for any other non-FSP related appropriation. Revenues associated with Tier 1 and copper pennies are subject to recapture; revenues associated with golden pennies levied in Tier 2 are not subject to recapture, meaning that districts retain 100.0 percent of those tax revenues locally.

For fiscal years 2014 to 2023, **Figure 160** shows the total recapture revenue, the share of recapture as a percentage of total M&O revenue, and the total number of districts paying recapture. Between fiscal years 2014 and 2019, the percentage of total M&O revenue made up by recapture revenue had been increasing an average of 0.5 percentage points each year, from 3.2 percent in 2014 to 5.9 percent in 2019. Following the enactment of House Bill 3, Eighty-sixth Legislature, 2019, the recapture percentage of total M&O revenue decreased to 4.9 percent in fiscal year 2020 and is projected to grow more slowly by an average of 0.3 percentage points per year through fiscal year 2023.

**FIGURE 160**  
**RECAPTURE REVENUE, FISCAL YEARS 2014 TO 2023**

YEAR	TOTAL RECAPTURE PAID (IN MILLIONS)	RECAPTURE AS A PERCENTAGE OF TOTAL M&O REVENUE	DISTRICTS PAYING RECAPTURE	PERCENTAGE OF TOTAL ADA
2014	\$1,212.8	3.2%	226	12.3%
2015	\$1,492.6	3.8%	241	14.1%
2016	\$1,587.5	3.9%	231	14.7%
2017	\$1,721.9	4.1%	234	16.7%
2018	\$2,105.7	4.6%	185	18.3%
2019	\$2,848.1	6.0%	220	27.2%
2020	\$2,443.1	4.9%	149	20.2%
2021	\$2,560.1	5.4%	163	19.9%
2022	\$2,636.3	5.1%	217	23.0%
2023	\$3,015.5	5.7%	241	27.1%

NOTES:

(1) Amounts shown for fiscal years 2021 to 2023 are estimated.

(2) M&O=maintenance and operations; ADA=average daily attendance.

(3) Data show Tier 1 and Tier 2 recapture. For fiscal year 2022, 143 districts are anticipated to pay recapture at the Tier 1 level, some of which also pay Tier 2 recapture; and 74 districts are anticipated to pay recapture **only** at the Tier 2 level. For fiscal year 2023, these amounts are projected to be 157 and 84, respectively.

SOURCES: Texas Education Agency; Legislative Budget Board.

**FIGURE 161**  
**CHARTER SCHOOL STATE AID AND AVERAGE DAILY ATTENDANCE, FISCAL YEARS 2014 TO 2023**

YEAR	STATE AID (IN MILLIONS)	PERCENTAGE OF TOTAL STATE SHARE	AVERAGE DAILY ATTENDANCE (ADA)	PERCENTAGE OF TOTAL ADA
2014	\$1,561.3	8.3%	183,228	3.8%
2015	\$1,793.2	9.5%	207,003	4.3%
2016	\$2,030.9	10.2%	226,771	4.6%
2017	\$2,265.0	11.8%	251,917	5.1%
2018	\$2,553.6	13.4%	271,652	5.4%
2019	\$2,858.4	15.5%	289,903	5.8%
2020	\$3,236.5	14.6%	298,717	6.1%
2021	\$3,679.5	16.6%	337,549	6.8%
2022	\$4,146.9	18.0%	372,365	7.3%
2023	\$4,646.5	19.8%	408,561	7.9%

NOTE: Amounts shown for fiscal years 2021 to 2023 are estimated.

SOURCE: Texas Education Agency; Legislative Budget Board.

**CHARTER SCHOOL FUNDING**

Charter schools are not authorized to levy local property taxes. Therefore, the entire FSP entitlement for a charter school is provided as state aid.

The charter school Tier 1 entitlement is determined by multiplying counts of students enrolled in general and targeted education programs by applicable program

weights and the state average of school district adjusted allotments. Enrichment funding provided through Tier 2 for charter schools is calculated using the state average number of enrichment pennies levied by school districts with taxing authority.

**Figure 161** shows, from fiscal years 2014 to 2023, charter school state aid, the percentage of total state aid, charter

school ADA, and the percentage of total ADA made up by charter schools. From fiscal years 2014 to 2021, charter school ADA growth averaged approximately 25,000 students per year.

**PREKINDERGARTEN**

House Bill 3, Eighty-sixth Legislature, 2019, required school districts to provide prekindergarten if they identify more than 15 children that meet statutory eligibility requirements. Each prekindergarten class for children that are at least age four must be operated on a full-day basis and comply with the program standards required for high-quality prekindergarten programs.

Following the enactment of House Bill 3, districts continue to generate only half-day FSP funding for these students. However, the legislation also added the Early Education Allotment, which must be used to fund programs and services intended to improve student performance in reading and mathematics in prekindergarten through grade three, and which may be used to fund the additional half-day of prekindergarten.

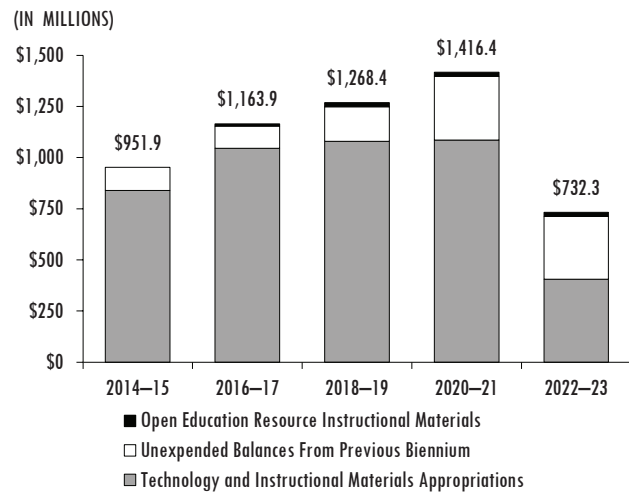
**TECHNOLOGY AND INSTRUCTIONAL MATERIALS**

Aside from the FSP, the largest state-funded public education program appropriation is for technology and instructional materials. For the 2022–23 biennium, appropriations for technology and instructional materials total \$424.8 million to be distributed through the Technology and Instructional Materials Allotment. The allotment provides each school district and charter school with an account into which funding is deposited based on ADA.

The 2022–23 biennial appropriation represents a decrease of \$933.4 million (68.7 percent) from the 2020–21 biennial base spending level. The 2020–21 biennial base funding for instructional materials was larger than 2020–21 biennial appropriations due to unexpended balances carried forward from the 2018–19 biennium. TEA reported \$307.5 million in unexpended district and charter balances carried forward from the 2020–21 biennium, in addition to the 2022–23 biennial appropriations. Of technology and instructional materials funding, \$20.0 million is provided for the development of open-source instructional materials.

Figure 162 shows an overview of technology and instructional materials funding from the 2014–15 to the 2022–23 biennia.

**FIGURE 162  
TECHNOLOGY AND INSTRUCTIONAL MATERIALS  
FUNDING, 2014–15 TO 2022–23 BIENNIA**



SOURCES: Texas Education Agency; Legislative Budget Board.

**DISTRICT PROGRAMS AND GRANTS**

TEA awards grants and distributes funds for numerous programs to school districts and charter schools. The 2022–23 biennial appropriation for district programs and grants is \$352.5 million. The following programs are among the more significant.

**BLENDED LEARNING GRANT PROGRAM**

House Bill 3, Eighty-sixth Legislature, 2019, established a program to assist local education organizations in developing and implementing effective blended learning models. The program is appropriated \$12.0 million in General Revenue Funds for the 2022–23 biennium.

**SUMMER CAREER AND TECHNOLOGY EDUCATION GRANT PROGRAM**

House Bill 3, Eighty-sixth Legislature, 2019, also established a program to provide funding to school districts for career and technology education courses offered during the summer. The program is appropriated \$8.0 million in General Revenue Funds for the 2022–23 biennium.

**GRANTS FOR STUDENTS WITH AUTISM**

House Bill 21, Eighty-fifth Legislature, First Called Session, 2017, established a grant program to provide additional funding for districts and charter schools that provide innovative services to students with autism. The program was appropriated \$20.0 million for the 2022–23 biennium.



**PROGRAMS TARGETING HIGH SCHOOL STUDENTS**

The Legislature appropriated funding for several programs targeted at high school students in the 2022–23 biennium.

Appropriations of \$3.4 million are provided to support the Texas Science, Technology, Engineering, and Mathematics (T-STEM) program. The grant program supports middle schools and high schools that focus on rigorous instruction in science and mathematics, with the goal of increasing the number of students studying and entering STEM-related fields. T-STEM programs target schools with high proportions of students at risk of dropping out of school.

The Early College High School (ECHS) program was funded at \$5.7 million for the 2022–23 biennium. ECHS provides grants to support districts and charter schools partnering with institutions of higher education to enable students to earn high school diplomas and at least 60.0 hours of college credit each simultaneously at no additional cost to the students.

Pathways in Technology Early College High School (P-TECH) provides a pathway for students to earn postsecondary degrees in addition to their high school diplomas. TEA Rider 64 directs \$7.6 million to support the P-TECH program for the 2022–23 biennium. From this funding, the agency may use \$240,000 for administration of the program.

**TEACHER ACADEMIES**

Appropriations for teacher academies total \$22.0 million for the 2022–23 biennium. This amount includes \$7.7 million for Math Academies, \$8.1 million for Literacy Academies, \$5.0 million for Reading-to-Learn Academies, and \$1.2 million for Reading Excellence Teams.

**STUDENT SUCCESS INITIATIVE/  
COMMUNITY PARTNERSHIPS**

The Student Success Initiative/Community Partnerships is an instructional intervention program related to student performance on state assessments. Appropriations for the 2022–23 biennium for the program total \$10.5 million. The 2022–23 GAA, Article III, TEA, Rider 42, requires the Commissioner of Education to award grants to schools that have high percentages of students who do not perform satisfactorily on relevant state assessments, and that serve certain neighborhoods to implement a comprehensive support program that increases the number of students performing on grade

level by leveraging academic, community, and governmental support.

**EDUCATOR QUALITY INITIATIVES**

The 2022–23 GAA, Article III, TEA, Rider 40, Educator Quality and Leadership, requires the Commissioner of Education to spend \$29.0 million for the 2022–23 biennium for certain initiatives that systematically transform educator quality and effectiveness statewide and ensure that funds directed by the rider maximize the receipt of federal grant funding for similar purposes. Additionally, Rider 40 directs portions of the appropriation to be used toward funding the following for the 2022–23 biennium: \$5.0 million to implement standards on educator quality; \$2.0 million to support Humanities Texas, a nonprofit organization providing professional development for teachers in their first or second years of service; and \$14.5 million for innovative programs that support educator development or increase achievement outcomes, such as Math Innovation Zones and Replicating Great Options.

**TEXAS GATEWAY AND ONLINE RESOURCES**

Texas Gateway and Online Resources is a web-based platform operated by TEA that includes a collection of professional development opportunities for educators and supplemental instruction for students in an interactive learning environment. Texas Gateway uses existing and new professional development resources and builds professional learning communities where educators can collaborate and participate in online learning opportunities. The appropriation to support Texas Gateway for the 2022–23 biennium is \$14.6 million in General Revenue Funds. From the total funding, \$3.0 million for each fiscal year of the biennium is directed to the hosting and maintenance of online educator and student educational resources and the secure provisioning of user accounts. The 2022–23 GAA, Article III, TEA, Rider 52, directs that, from the \$14.6 million appropriation, \$1.4 million for each fiscal year of the biennium is used for the Lesson Study Initiative for teacher development of best-practice lessons and supporting tools; \$2.0 million for each fiscal year of the biennium is used to reimburse districts for costs related to students enrolled in OnRamps Dual Enrollment courses; and \$1.0 million for each fiscal year is used for professional development provided by UTeach, a STEM teacher preparation program offered by the University of Texas.

**SCHOOL IMPROVEMENT AND GOVERNANCE SUPPORT**

Appropriations for School Improvement and Governance Support total \$2.5 million for the 2022–23 biennium. The 2022–23 GAA, Article III, TEA, Rider 43, requires the Commissioner of Education to direct funding to provide campus, charter, and district intervention; governance and turnaround assistance services to districts and campuses with identified student performance or financial concerns; and technical or governance assistance to charter schools.

**GRANTS TO EDUCATION ORGANIZATIONS**

In addition to providing funds to school districts and charter schools, TEA provides funds to organizations providing educational services. The 2022–23 biennial appropriation for grants to education organizations is \$1.8 billion in All Funds. This is a significant increase in funding relative to the 2020–21 biennium and is attributable to several new programs that were funded to implement House Bill 1525, Eighty-seventh Legislature, Regular Session, 2021 (see the section regarding **Funding for Public Education Initiatives**). This area includes the following other significant programs.

**COMMUNITIES IN SCHOOLS**

The Communities in Schools (CIS) program is affiliated with a national nonprofit organization and administered at the state level by TEA. The program’s goals include improving school attendance, academic achievement, and addressing the behavior of students at risk of dropping out of school. Based on a case-management model, local CIS coordinators work with individual students to provide support and services according to an individualized needs assessment. TEA’s 2022–23 biennial appropriations include \$61.0 million in General Revenue Funds and \$7.8 million of federal funding for Temporary Assistance for Needy Families to support the program.

**TEACH FOR AMERICA**

Appropriations for Teach for America (TFA) are \$11.0 million for the 2022–23 biennium. Funding is directed to support the provision of at least 2,100 TFA public school employees in Texas schools, with a prioritization on employment of mathematics teachers. The 2022–23 GAA, Article III, TEA, Rider 46, also requires TFA to work jointly with TEA and representatives of districts that employ TFA teachers on implementing a plan to improve retention rates of

TFA teachers and to provide expenditure and performance data to assess the success of TFA in meeting the rider requirements.

**PASS-THROUGH FUNDING**

TEA provides pass-through funding to other state entities and governmental organizations for education programs. The 2022–23 biennial appropriation for pass-through funding is \$237.1 million. The following programs are among the more significant.

**WINDHAM SCHOOL DISTRICT FUNDING**

The Windham School District (WSD) provides educational programming for inmates in the adult correctional system in Texas. The funding to support this function is provided through TEA; however, the agency does not have oversight of WSD operations. The appropriation to support WSD for the 2022–23 biennium is \$115.5 million. Those funds support high school, vocational, and technical education programs in the prison system. Appropriations include an increase of \$1.3 million to implement House Bill 30, Eighty-seventh Legislature, Regular Session, 2021, which requires WSD to offer a course of instruction leading to a high school diploma to each incarcerated student who is age 17 or younger or age 21 or younger if the student is receiving special education services.

**REGIONAL EDUCATION SERVICE CENTERS**

The appropriation to support core services at regional Education Service Centers (ESC) is \$23.8 million for the 2022–23 biennium. The 2022–23 GAA, Article III, TEA, Rider 34, directs the Commissioner of Education to determine a formula by which these funds are distributed to the 20 ESCs to favor those serving rural areas and small-sized schools.

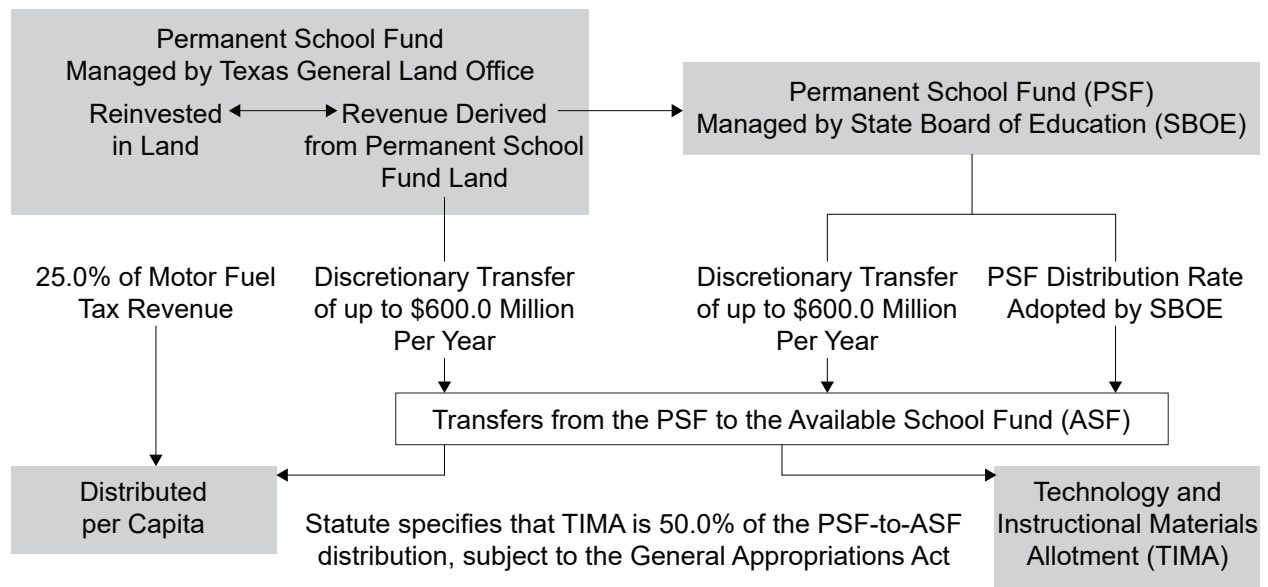
**AGENCY ADMINISTRATION**

Appropriations to TEA for agency administration for the 2022–23 biennium total \$488.2 million in All Funds, including \$336.2 million in General Revenue Funds.

**METHODS OF FINANCING  
PUBLIC EDUCATION**

The TEA budget includes General Revenue Funds, Other Funds, and Federal Funds. Among the General Revenue Funds and Other Funds are several methods of financing the public education system with unique qualities or statutory or constitutional dedications.

**FIGURE 163**  
**ALLOCATION OF FUNDS FROM THE PERMANENT SCHOOL FUND TO AVAILABLE SCHOOL FUND, 2020–21 BIENNIUM**



NOTE: Senate Bill 1232, Eighty-seventh Legislature, Regular Session, 2021, will lead to significant changes to the administration of the Permanent School Fund when implemented.  
 SOURCE: Legislative Budget Board.

**GENERAL REVENUE FUNDS**

**AVAILABLE SCHOOL FUND**

The Available School Fund (ASF) is a constitutionally dedicated fund for the support of the public education system. It is funded from distributions from returns on investment of the Permanent School Fund (PSF) and also receives 25.0 percent of the state’s motor fuels tax revenue (see the section regarding **Other Funds**). Before each legislative session, the State Board of Education (SBOE) sets an assumed rate of total return on all PSF investment assets that determines the amount to be distributed to the ASF. The ASF funds the state’s technology and instructional materials purchases through a transfer to the state Technology and Instructional Materials Fund and also provides an annual per capita distribution to school districts. The per capita distribution is a method of finance for the FSP.

In addition to motor fuels tax revenue and PSF distributions from the SBOE-controlled portion of the PSF, the General Land Office (GLO) also is authorized, at its discretion, to transfer up to \$600.0 million per year directly from the PSF to the ASF. Appropriations include an additional transfer of \$415.0 million for fiscal year 2022 and \$460.0 million for fiscal year 2023 from the GLO-controlled portion of the PSF to the ASF.

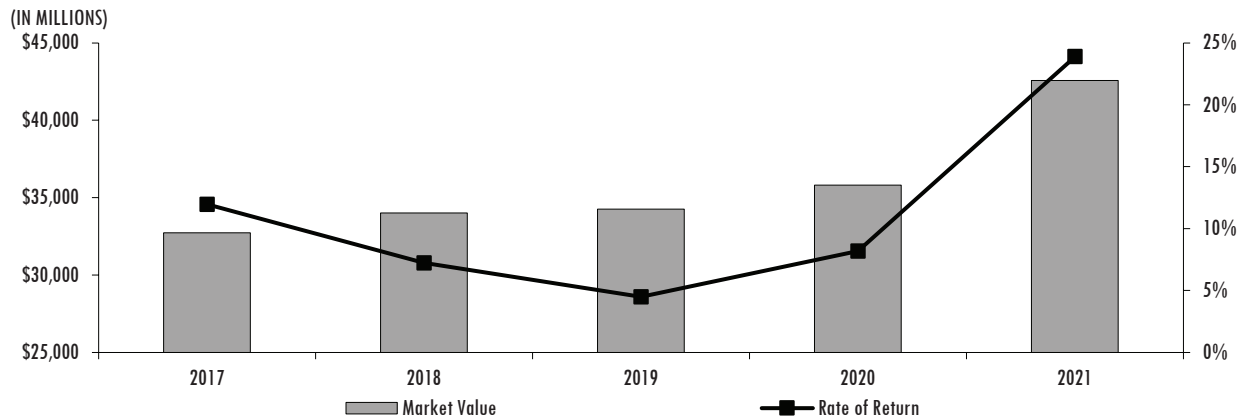
**TECHNOLOGY AND INSTRUCTIONAL MATERIALS FUND**

Transfers from the ASF provide funding for the Technology and Instructional Materials Fund. The Technology and Instructional Materials Fund provides school districts with funding for textbooks and other instructional materials. Statute requires that 50.0 percent, or an alternate amount specified in the General Appropriations Act, of the amount transferred from the PSF to the ASF is deposited into the Technology and Instructional Materials Fund during each biennium.

**Figure 163** shows the allocation of funds related to the PSF to the ASF. The total rate of return that SBOE adopts each biennium is based on the average market value of the PSF for the preceding 16 fiscal quarters. The rate is set with consideration of a policy of intergenerational equity, whereby the distribution rate cannot jeopardize the probability that the PSF will be able to support the public education of subsequent generations of Texas students at a comparable level. Since the adoption of the total rate of return methodology for determining the distribution, rates ranged from 4.5 percent for the 2004–05 and 2006–07 biennia to 2.5 percent for the 2010–11 biennium, representing market conditions. For the 2022–23 biennium, the adopted rate of 4.18 percent is projected to yield about \$3.4 billion.

Senate Bill 1232, Eighty-seventh Legislature, Regular Session, 2021, will lead to significant changes to

**FIGURE 164**  
**PERMANENT SCHOOL FUND FAIR MARKET VALUE AND TOTAL RATE OF RETURN, FISCAL YEARS 2017 TO 2021**



NOTE: Data shown represents the portion of the Permanent School Fund managed by the State Board of Education.  
 SOURCE: Texas Education Agency.

the administration of the PSF when implemented. See the **Significant Legislation** section of this chapter for more information.

**LOTTERY PROCEEDS**

Since fiscal year 1997, net proceeds from the sale of Texas Lottery games, after paying the cost of administering the lottery and awarding prizes, are dedicated statutorily to funding the FSP, and transferring a small portion of net proceeds to the Texas Veterans Commission. For the 2022–23 biennium, lottery proceeds account for \$3.2 billion of the \$51.7 billion in state funds appropriated to fund the FSP, a decrease of \$71.7 million compared to the 2020–21 biennial amount.

**FOUNDATION SCHOOL FUND**

The Foundation School Fund is an account within the General Revenue Fund that is used exclusively to fund public education. It is appropriated primarily as a method of financing the FSP; however, some appropriations for programs outside the FSP are made from the Foundation School Fund. For the 2022–23 biennium, \$30.3 billion from the Foundation School Fund is appropriated to TEA, of which \$30.0 billion is appropriated for the FSP.

**FUND NO. 1**

For the 2022–23 biennium, TEA’s appropriations include approximately \$1.4 billion in other General Revenue Funds (Fund No. 1) to support agency administration and certain programs outside of the FSP.

**OTHER FUNDS**

**PERMANENT SCHOOL FUND**

A unique aspect of public school funding in Texas is the provision of state funds from the Permanent School Fund, an endowment fund established by the Texas Constitution that consists of fixed income and equity holdings, state lands, mineral rights, and royalty earnings. PSF investments are managed primarily by the State Board of Education (SBOE) through TEA staff, with a portion of PSF-owned lands and associated mineral rights managed by the General Land Office. PSF is managed to be a permanent, perpetual source of funding of public education for Texans. Additionally, since 1983 the fund has provided for the guarantee of school district bonds, enabling districts to earn high bond ratings, which translate into lower interest rates and substantial cost savings to taxpayers. The Eighty-second Legislature, Regular Session, 2011, extended the bond guarantee program to charter schools for the first time, and in 2014, TEA issued the first charter school bond guarantees. The Eighty-fifth Legislature, Regular Session, 2017, modified the calculations to determine the capacity for charter school loan guarantees. In June 2018, SBOE authorized the full 20.0-percent increase in the amount of charter school bonds that may be guaranteed for fiscal year 2019, which increased the relative capacity for charter school guarantees to school district guarantees. Senate Bill 1232, Eighty-seventh Legislature, Regular Session, 2021, will lead to significant changes to the administration of the PSF when implemented. See the **Significant Legislation** section of this chapter for more information.

**Figure 164** shows the changes to the fair market value and rate of return of PSF for fiscal years 2017 to 2021.

A limited amount of PSF funding is used as a method of financing the portion of the TEA administration budget dedicated to managing and overseeing PSF. For the 2022–23 biennium, the total administrative appropriation from PSF is \$70.9 million.

**PROPERTY TAX RELIEF FUND**

The Property Tax Relief Fund (PTRF), established by the Seventy-ninth Legislature, Third Called Session, 2006, is a fund outside of the General Revenue Fund that serves as a method of financing the FSP. The fund was established as part of the effort to compress school district maintenance and operations property tax rates by one-third and serves to finance a portion of the state cost of replacing that lost local revenue. PTRF is funded with revenues resulting from a package of legislation that was passed by the Seventy-ninth Legislature, Third Called Session, 2006, which altered the franchise (business margins) tax, motor vehicle sales and use tax, and taxes on tobacco products. The amounts deposited to PTRF are essentially the amounts generated by the authorized change in those taxes, with the greatest contributions coming from the franchise tax. For the 2022–23 biennium, PTRF contributes \$5.3 billion in state funds appropriated to fund the FSP, a projected increase of \$1.2 billion from the 2020–21 biennial spending level.

**TAX REDUCTION AND EXCELLENCE IN EDUCATION FUND**

House Bill 3, Eighty-sixth Legislature, 2019, established the Tax Reduction and Excellence in Education (TREE) Fund, which is a fund in the Treasury but outside General Revenue Funds. The TREE Fund may be appropriated only to pay for Tier 1 allotment costs and to decrease school district M&O tax rates.

The legislation established two revenue sources to be deposited into the fund, and an additional potential revenue increase to the ASF that would be considered part of the fund. The first source consists of certain revenues previously allocated pursuant to the Texas Constitution, Article III, Section 49-g, which instead would be deposited to the TREE Fund. The second source would deposit net sales tax revenue collected by marketplace providers during the previous fiscal year. The potential additional revenue source would be amounts distributed to the ASF pursuant to the Texas Constitution, Article VII, Section 5(g), in excess of \$300.0 million each year; these funds would be limited to paying for the cost of Tier 1 allotments. Appropriations for the FSP for the 2022–23 biennium include a total of \$1.8 billion from the TREE Fund, a projected increase of \$286.7 million from the 2020–21 biennium.

**RECAPTURE PAYMENTS – ATTENDANCE CREDITS**

The final estimated method of finance supporting FSP is Recapture Payments – Attendance Credits, which consists entirely of revenue from school districts that are subject to wealth-

**FIGURE 165**  
**TEXAS PUBLIC SCHOOL AVERAGE DAILY ATTENDANCE**  
**FISCAL YEARS 2010 TO 2023**

FISCAL YEAR	SCHOOL YEAR	TOTAL ADA	PERCENTAGE CHANGE
2010	2009–10	4,470,146	1.7%
2011	2010–11	4,555,707	1.9%
2012	2011–12	4,632,151	1.7%
2013	2012–13	4,697,243	1.4%
2014	2013–14	4,778,014	1.7%
2015	2014–15	4,853,101	1.6%
2016	2015–16	4,922,493	1.4%
2017	2016–17	4,972,376	1.0%
2018	2017–18	5,005,005	0.7%
2019	2018–19	5,020,341	0.3%
2020	2019–20	5,061,017	0.8%
2021	2020–21	5,140,653	1.6%
2022	2021–22	5,127,583	(0.3%)
2023	2022–23	5,199,282	1.4%

**NOTES:**

- (1) Amounts for fiscal years 2022 and 2023 are projected.
- (2) Average daily attendance (ADA) counts include charter schools and exclude all state-administered schools.

SOURCES: Texas Education Agency, Legislative Budget Board.

equalization recapture. For the 2022–23 biennium, recapture receipts contribute \$5.7 billion of the FSP appropriation, a \$475.6 million increase from the 2020–21 biennium. All recapture payments support the FSP; statute prohibits the use of recapture for any other purpose.

**FEDERAL FUNDS**

Federal Funds appropriations for the 2022–23 biennium are estimated to be \$11.9 billion. This \$320.3 million net decrease from appropriations in the 2020–21 biennium includes a \$673.4 million decrease in federal funding related to the COVID-19 pandemic, partially offset by a \$353.9 million increase in funds for the Child Nutrition Program.

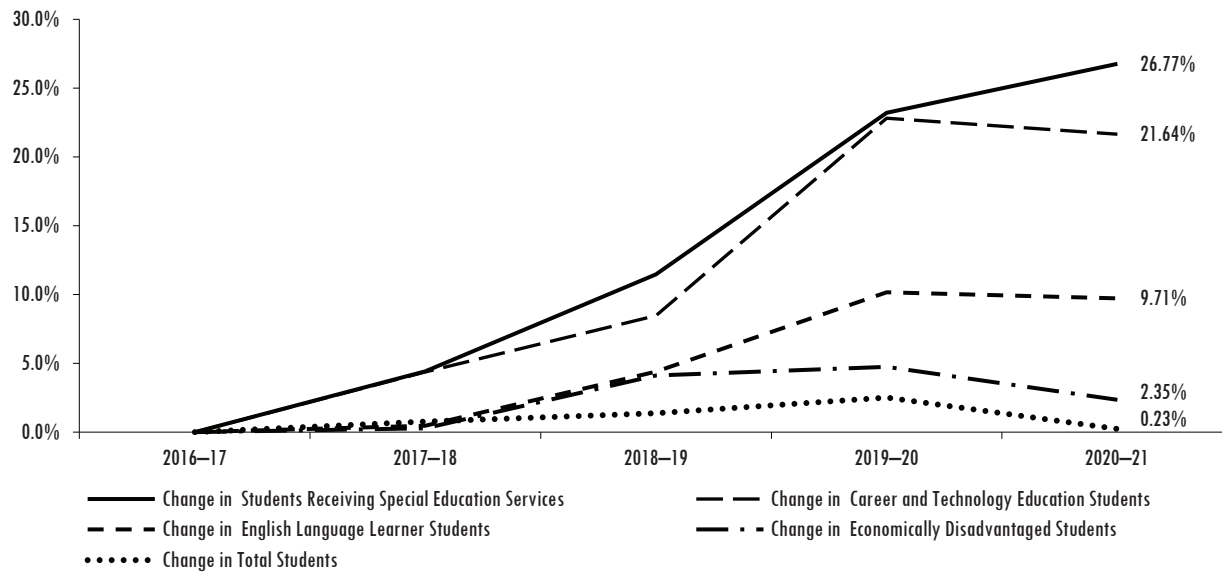
**TEXAS STUDENTS AND DISTRICTS**

Texas’ public school students and its school districts exhibit diversity in various factors that drive funding and policy decisions within the state and result in a unique public education environment relative to other states.

**STUDENTS IN AVERAGE DAILY ATTENDANCE**

Recent average daily attendance (ADA) trends for Texas and ADA projections for the 2022–23 biennium are shown in **Figure 165**. The 2022–23 biennial projections include a March

**FIGURE 166**  
**ENROLLMENT TRENDS OF CERTAIN TEXAS STUDENT POPULATIONS COMPARED TO SCHOOL YEAR 2015–16**  
**SCHOOL YEARS 2016–17 TO 2020–21**



**NOTES:**

- (1) CTE=career and technical education; ELL=English language learners.
- (2) Changes in total students, students receiving special education services, ELL students, and economically disadvantaged students are based on the number of enrolled students. Change in CTE students is based on full-time-equivalent student attendance data.

SOURCE: Texas Education Agency.

2021 update of estimates prepared by TEA for the Eighty-seventh Legislature, 2021. ADA data for fiscal years 2020 and 2021 include additional ADA added by the Commissioner of Education to hold districts harmless for attendance decreases resulting from the COVID-19 pandemic. Charter school ADA is included in the counts shown in **Figure 165**. For school year 2022–23, charter school ADA is projected to be 408,561.

For the 2022–23 biennium, it is estimated that ADA will decrease by 0.3 percent for fiscal year 2022 and increase by 1.4 percent for fiscal year 2023.

The Foundation School Program provides weighted funding for certain student populations. **Figure 166** shows enrollment trends for various student populations that drive FSP funding. The highlighted populations include students participating in career and technology education programs, English language learner (ELL) students, economically disadvantaged students, and students receiving special education services. Enrollment growth rates decreased across all categories for school year 2020–21 during the COVID-19 pandemic. Before the pandemic, total enrollment had been increasing, at a compound annual growth rate of 0.8 percent from school years 2015–16 to 2019–20. During this same period, the

number of ELL students, economically disadvantaged students, and special education students increased at compound annual growth rates of 3.3 percent, 1.6 percent, and 7.2 percent, respectively. The growth of these populations at a faster rate than total student enrollment increases the cost of the FSP.

**TEXAS PUBLIC SCHOOL EMPLOYEES**

For school year 2022–23, Texas public schools employed 746,846.0 full-time-equivalent positions. Of those positions, about half were teachers. **Figure 167** shows public school employees by function and subdivides those functions into instructional and noninstructional roles. Instructional roles are defined as functions that primarily serve students in the classroom. **Figure 167** shows that just fewer than three-fifths of public education employees are in this instructional category, and those proportions have been similar for at least the past 10 school years.

**STATE BOARD FOR EDUCATOR CERTIFICATION**

The State Board for Educator Certification (SBEC), an appointed board whose functions are carried out within

**FIGURE 167**  
**TEXAS PUBLIC SCHOOL EMPLOYEES BY FUNCTION**  
**SCHOOL YEARS 2011–12, 2015–16, AND 2020–21**

FUNCTION	2011–12		2015–16		2020–21	
	FTE POSITIONS (1)	PERCENTAGE OF TOTAL	FTE POSITIONS	PERCENTAGE OF TOTAL	FTE POSITIONS	PERCENTAGE OF TOTAL
<b>Instructional (2)</b>						
Teachers	324,213	50.7%	347,328	50.4%	369,461	49.5%
Classroom support	60,040	9.4%	67,925	9.9%	81,965	11.0%
<b>Total, Instructional</b>	<b>384,253</b>	<b>60.1%</b>	<b>415,253</b>	<b>60.2%</b>	<b>451,426</b>	<b>60.4%</b>
<b>Noninstructional (2)</b>						
Administrative staff	25,159	3.9%	27,627	4.0%	31,151	4.2%
Nonclassroom support (3)	57,027	8.9%	66,809	9.7%	77,321	10.4%
Auxiliary staff (4)	172,779	27.0%	179,801	26.1%	186,947	25.0%
<b>Total, Noninstructional</b>	<b>254,965</b>	<b>39.9%</b>	<b>274,237</b>	<b>39.8%</b>	<b>295,419</b>	<b>39.6%</b>
<b>Total, FTE Positions</b>	<b>639,218</b>		<b>689,490</b>		<b>746,845</b>	
Ratio of Instructional to Noninstructional		1.6		1.6		1.5

NOTES:

- (1) FTE=full-time-equivalent position.
- (2) The instructional function includes professional staff reported with a Classroom ROLE-ID code in the Public Education Information Management System (PEIMS). The noninstructional function includes professional staff reported with a Non-Classroom ROLE-ID code in PEIMS and auxiliary staff reported without a specific ROLE-ID. The instructional and noninstructional functions shown may differ from other staff groupings included in Texas Education Agency reports. Instructional support includes roles that provide direct services to students in a classroom setting, such as paraprofessional staff and certain therapists.
- (3) Nonclassroom support includes roles that provide support services primarily outside the classroom such as librarians, counselors, diagnosticians, supervisors, and other professional roles.
- (4) Auxiliary staff includes roles such as bus drivers, cafeteria staff, janitorial services, and grounds services.

SOURCE: Texas Education Agency.

TEA’s Educator Leadership and Quality Division, oversees a range of teacher credentialing, recruitment and retention, and activities related to professional conduct. This oversight includes the accreditation of more than 120 educator preparation programs. With few exceptions, SBEC functions are self-funded—paid from fees charged to educators and educator candidates for credentialing-related services.

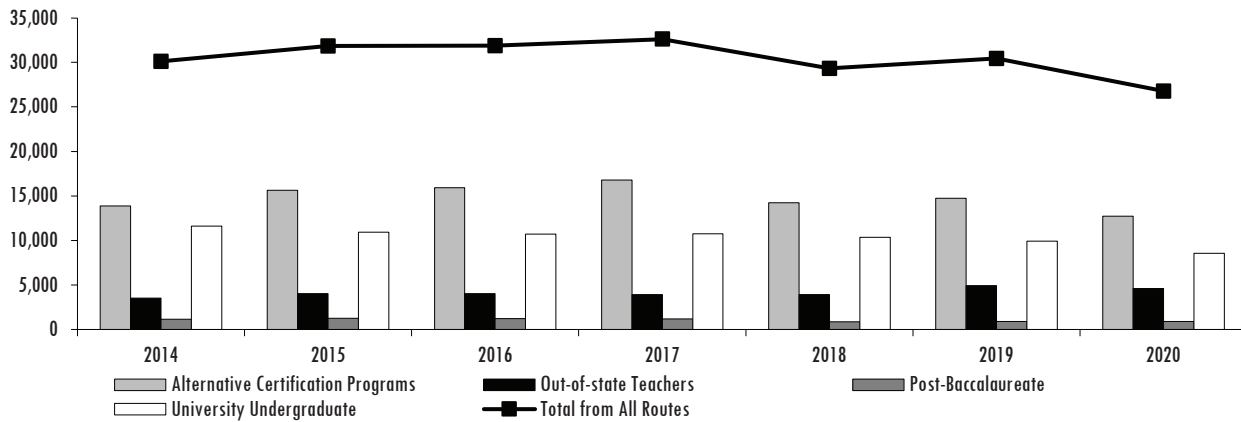
SBEC specifies the classes of educator certificates to be issued, the period for which a certificate is valid, and all rules relating to initial issuance and renewal. To ensure that educators are certified properly, SBEC manages the development and oversees administration of numerous pedagogy (teaching skills), content knowledge, and professional examinations. The Texas Examinations of Educator Standards and their associated teaching certificates align educator certification standards with the Texas Essential Knowledge and Skills curriculum framework. In addition to the standard examinations, the agency also requires examinations for specific certificates: the Texas Oral Proficiency Test, for the education of students with

limited English proficiency, and the Texas Assessment of Sign Communication, for the education of students with hearing impairment.

**Figure 168** shows the number of individuals that were issued initial teaching certificates from fiscal years 2014 to 2020. Beginning in fiscal year 2015, the issuance of initial teaching certificates increased annually, through fiscal year 2017, including a 5.7 percent increase in initial teaching certificates during fiscal year 2015. However, the trend reversed during fiscal year 2018 when the number of individuals that were issued initial teaching certificates decreased by 10.1 percent. In fiscal year 2020, there was a 12.1 percent decline in the number of individuals who were issued certifications, as a result of the COVID-19 pandemic. The agency anticipates that certification activity will return to a more normal level in the 2022–23 biennium.

The most common route to obtaining a teaching certificate is through Texas Alternative Certification Programs (ACP) followed by educator preparation programs that are offered

**FIGURE 168**  
**INITIAL TEACHING CERTIFICATES ISSUED BY CERTIFICATION ROUTE**  
**FISCAL YEARS 2014 TO 2020**



NOTE: Number of certificates does not include renewals, temporary credentials, or professional certifications.  
 SOURCE: Texas Education Agency.

as part of a four-year University Undergraduate program. ACPs enable individuals that meet certain educational criteria to become certified as educators in approximately one year through course work and fieldwork outside of a traditional undergraduate or graduate program.

**PUBLIC SCHOOL ACCOUNTABILITY FOR STUDENT PERFORMANCE**

Texas has been a national leader in statewide assessment and accountability for student performance in public education. **Figure 169** shows a timeline of major events in the evolution of testing and accountability in the state.

The first iteration of the statewide accountability system for Texas public schools was established by the Seventy-third Legislature, 1993, to hold Texas public schools accountable for student performance. The accountability ratings system was based on student performance on an annual student dropout rate and on performance on a set of assessments called the Texas Assessment of Academic Skills (TAAS). TAAS included tests on reading, writing, math, and social studies. Each school district and campus was rated according to its ability to meet state passing standards on each test for all students and for certain disaggregated student groups—African American, Hispanic, White, and economically disadvantaged—and its ability to meet state dropout standards. Each district and campus was given a rating of exemplary, recognized, acceptable, or unacceptable/low-performing.

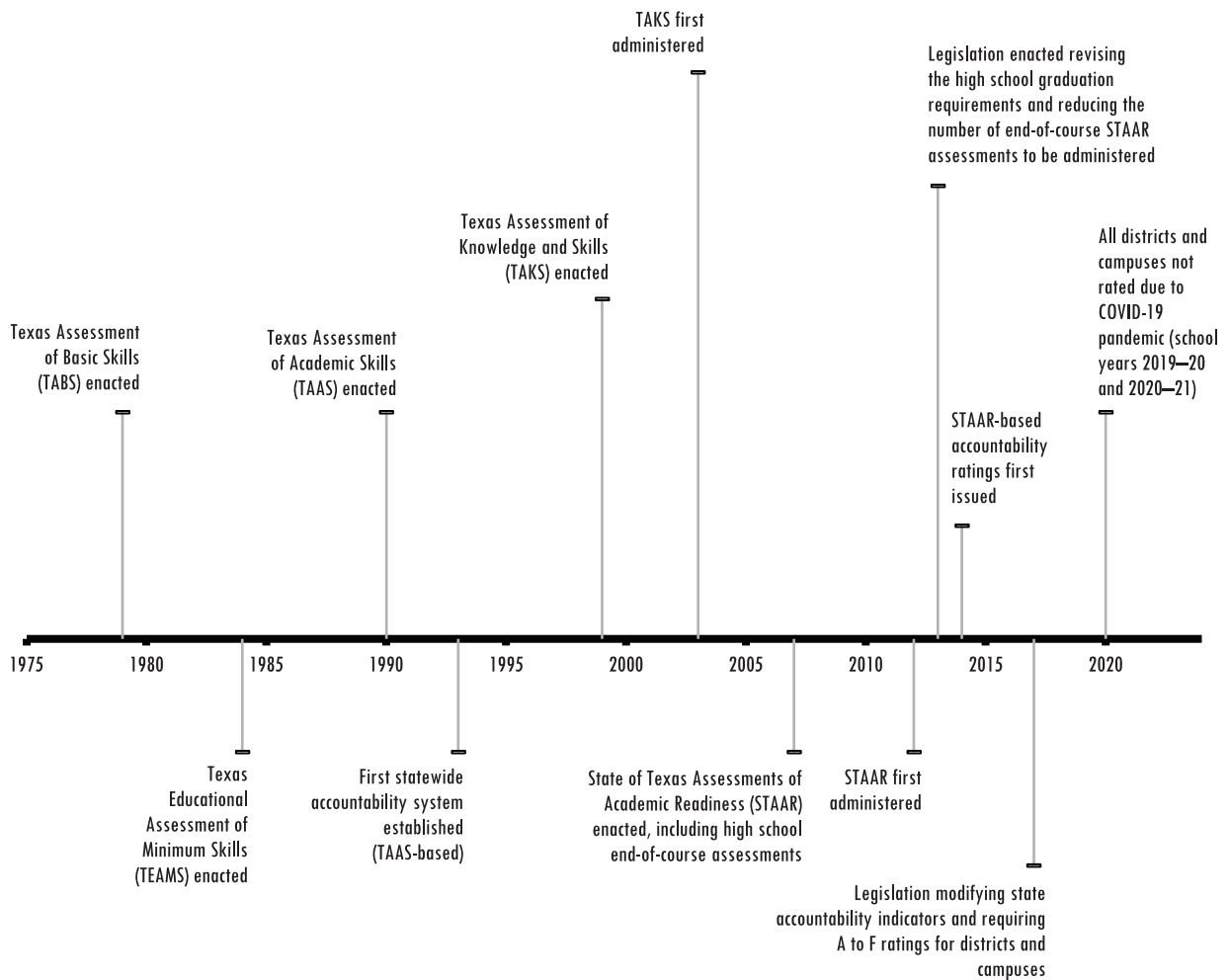
The system was amended during calendar year 2004 to align with the transition to a new assessments program, the Texas Assessment of Knowledge and Skills (TAKS), and to align with new federal performance standards set in the federal No Child Left Behind Act of 2001. The system was amended to incorporate performance on the alternative assessments for special education students and to use longitudinal completion rates instead of annual dropout rates.

During school year 2011–12, the state again transitioned to a new assessment system, the State of Texas Assessments of Academic Readiness (STAAR), as a result of actions of the Eightieth Legislature, 2007. The STAAR system includes assessments in grades three to eight in reading, mathematics, science, social studies, and writing. STAAR also replaced the exit-level TAKS exam for high school students with 15 subject-specific, end-of-course assessments in foundation subjects. The Eighty-third Legislature, Regular Session, 2013, amended the number of end-of-course assessments for high school students from 15 to five, including algebra I, biology, English I, English II, and U.S. history.

The Eighty-fifth Legislature, Regular Session, 2017, further modified the state accountability system indicators for districts and campuses. House Bill 22 restructured and reduced the achievement indicators from a five-domain system (student achievement, student progress, closing performance gaps, postsecondary readiness, and community



**FIGURE 169**  
**TEXAS PUBLIC EDUCATION ASSESSMENT AND ACCOUNTABILITY SYSTEM**  
**CALENDAR YEARS 1979 TO 2021**



SOURCE: Legislative Budget Board.

and student engagement) to a three-domain system (student achievement, student progress, and closing the gaps). Additionally, the legislation changed the way the overall grade for campuses and districts are calculated; delayed the implementation of the letter rating for campuses until school year 2019–20; and established a local accountability plan to enable districts to rate campuses using locally developed domains and accountability measures.

The A-to-F accountability system debuted during the 2018–19 school year. During the first year, districts were awarded accountability scores from 0 to 100 and ratings from A to F. Campuses were assigned scores of 0 to 100 during the first year, and A-to-F scores were added to campus ratings during

the 2019–20 school year. **Figure 170** shows the distribution of accountability ratings for Texas school districts during calendar years 2018 and 2019. Districts and campuses did not receive accountability ratings for 2020 and 2021 due to the COVID-19 pandemic.

**STUDENT PERFORMANCE ON STATE ASSESSMENTS**

In school year 2011–12 the State of Texas Assessments of Academic Readiness (STAAR) replaced the Texas Assessment of Knowledge and Skills (TAKS) as the method for assessing student performance in Texas. As shown in **Figure 171**, overall performance and the disaggregated performance of White, Hispanic, and African American students all began an upward trend from school year 2015–16 through school

**FIGURE 170**  
**SCHOOL DISTRICT AND CHARTER SCHOOL ACCOUNTABILITY RATINGS, 2018 AND 2019**

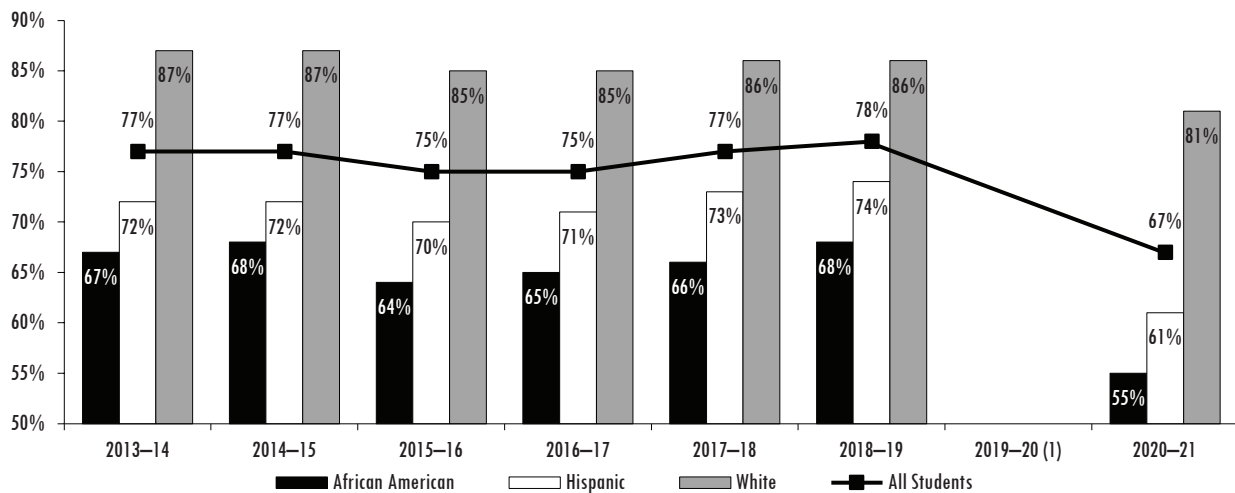
ACCOUNTABILITY RATING	2018 (1)		2019	
	COUNT	PERCENTAGE	COUNT	PERCENTAGE
A	153	12.8%	301	25.1%
B	356	29.7%	677	56.4%
C	247	20.6%	154	12.8%
D	57	4.8%	43	3.6%
F	17	1.4%	14	1.2%
Met Standard/Met Alternative Standard	254	21.2%	N/A	N/A
Improvement Required	12	1.0%	N/A	N/A
Not Rated	12	1.0%	12	1.0%
Not Rated: Harvey Provision (2)	92	7.7%	N/A	N/A

NOTES:

- (1) In 2018, individual campuses did not receive A to F ratings and instead were rated Met Standard or Improvement Required. For this reason, a school district or charter school that had only one campus received a rating that aligned with its campus rating.
- (2) During calendar year 2018, certain school districts and open-enrollment charter schools that were affected by Hurricane Harvey were eligible to be labeled Not Rated.
- (3) Districts and campuses did not receive accountability ratings for 2020 and 2021 due to the COVID-19 pandemic.

SOURCE: Texas Education Agency.

**FIGURE 171**  
**TEXAS PUBLIC AND CHARTER SCHOOL STUDENTS PASSING ALL TESTS, BY ETHNICITY**  
**SCHOOL YEARS 2013–14 TO 2020–21**



NOTE: (1) Due to the COVID-19 pandemic, the Spring 2020 State of Texas Assessments of Academic Readiness were not administered.  
SOURCE: Texas Education Agency.

year 2018–19. Achievement gaps between African American/White and Hispanic/White achievement gaps also decreased during this period.

STAAR testing in spring 2020 was cancelled due to the COVID-19 pandemic. The school year 2020–21 STAAR results recorded a significant decrease in the number of

students passing all tests, from 78 percent in school year 2018–19 to 67 percent in school year 2020–21. African American and Hispanic students’ performance decreased more precipitously than performance among White students, exacerbating African American–White and Hispanic–White achievement gaps.

## SIGNIFICANT LEGISLATION

Please see the **Funding for Public Education Initiatives** section for information regarding the following bills:

- **House Bill 1525**, relating to the public school finance system and public education;
- **Senate Bill 8, Second Called Session**, relating to the authority of an individual who acquires a residence homestead to receive an ad valorem tax exemption for the homestead in the year in which the property is acquired and to the protection of school districts against the resulting loss in revenue;
- **Senate Bill 12, Second Called Session**, relating to the reduction of the amount of a limitation on the total amount of ad valorem taxes that may be imposed by a school district on the residence homestead of an individual who is elderly or disabled to include any reduction from the preceding tax year in the district's maximum compressed rate and to the protection of school districts against the resulting loss in local revenue; and
- **Senate Bill 1, Third Called Session**, relating to an increase in the amount of the exemption of residence homesteads from ad valorem taxation by a school district and the protection of school districts against the resulting loss in local revenue.

**House Bill 4545 – Establishes the Strong Foundations Grant Program.** The Commissioner of Education is required to adopt components that program participants must implement under the program including the use of high-quality instructional materials, curricula, and curricular tools; aligned professional supports; and a measure of the fidelity of implementation of the program.

**Senate Bill 1232 – Authorizes the State Board of Education to incorporate the PSF Corporation and to delegate management of the PSF and the Charter District Bond Guarantee Reserve Fund to the PSF Corporation.** The legislation requires the corporation to establish an annual minimum distribution rate for such distributions from the PSF to the ASF. In setting this rate, the corporation will be required to consider the transfer rate applied to the PSF corpus for transfers to the ASF in the biennium, factors that relate to the current and future public school students in the state, and any other factors that the corporation determines relevant. The

legislation also requires the School Land Board (SLB) to transfer all revenue derived from mineral or royalty interests, less any amounts specified by appropriation to be retained by the SLB, to the corporation for investment in the PSE.

The 2022–23 GAA, Article IX, Section 18.53, requires TEA and the General Land Office to submit to the Legislative Budget Board a plan describing the steps required to implement Senate Bill 1232. The steps required to implement the legislation are anticipated to begin during the 2022–23 biennium.

**Senate Bill 1716 – Requires TEA to establish a supplemental special education services and instructional materials program.** The program is for students enrolled at a school district or open-enrollment charter schools who are enrolled in a special education program. Through the program, the agency is required to provide up to \$1,500 to purchase supplemental special education services and supplemental special education instructional materials. The legislation requires the agency to maintain a system of online accounts to provide access to the credit and would require the agency to establish an application system to allow parents to apply for the program.

## TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

**PURPOSE:** Serve as a leading center of expertise and support, working in partnership with schools, families, and organizations to improve educational outcomes for students that are blind or visually impaired, including those with deaf-blindness or additional disabilities. Provide full-time classroom and residential programs during the school year for students whose needs cannot be met at local school districts.

**ESTABLISHED:** 1856

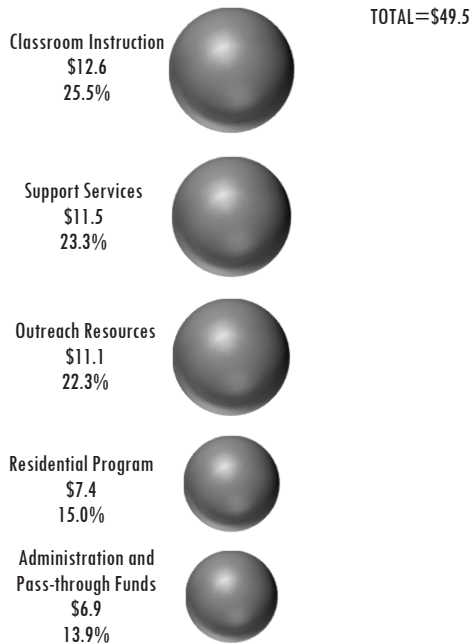
**AUTHORIZING STATUTE:** The Texas Education Code, Chapter 30, Subchapter B

**GOVERNANCE:** Board of Trustees—nine members appointed by the Governor and confirmed by the Senate, filling specified positions

**FIGURE 172**  
**TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$32.9	\$33.5	\$0.7	2.0%	<table border="1"> <tr> <td><b>2022</b></td> <td>371.2</td> </tr> <tr> <td><b>2023</b></td> <td>371.2</td> </tr> </table>	<b>2022</b>	371.2	<b>2023</b>	371.2
<b>2022</b>	371.2								
<b>2023</b>	371.2								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$4.0	\$4.4	\$0.3	8.4%					
Other Funds	\$13.7	\$11.7	(\$2.0)	(14.7%)					
<b>Total, All Methods of Finance</b>	<b>\$50.6</b>	<b>\$49.5</b>	<b>(\$1.0)</b>	<b>(2.0%)</b>					

### INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations provide a decrease of \$1.0 million, or 2.0 percent. Funding decreases are attributable primarily to a decrease in anticipated Federal Funds offset by an increase in General Revenue Funds for partial restoration of decreases made during the 2020–21 biennium.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Funding appropriated to the Texas School for the Blind and Visually Impaired (TSBVI) for the 2022–23 biennium represents an All Funds decrease of \$1.0 million, or 2.0 percent. Funding decreases are primarily attributable to a decrease in anticipated Federal Funds offset by an increase in General Revenue Funds for partial restoration of decreases made during the 2020–21 biennium.

## PROGRAMS

TSBVI staff work in conjunction with local school districts and the state's regional Education Service Centers to provide a continuum of services to students with visual impairments. Students receive instruction that prepares them for high school graduation; for return to their local school districts; or for transition to further education, training, or placement in local communities. The school serves these students through five major program areas: (1) Outreach Resources; (2) Classroom Instruction; (3) Student Support Services; (4) Residential Programs; and (5) School Administration.

## OUTREACH RESOURCES

The Outreach Resources program, which includes Outreach Development and Training for Schools and Families, provides training services for parents and professionals statewide, including information related to adapted materials, technology, student transition and assessment, and individual consultations for blind and visually impaired students. TSBVI maintains extensive resources that are accessed internationally. Outreach staff offer online and live presentations related to many aspects of visual impairment and deaf-blindness, including assessment, programming, adapted materials, mobility, and assistive technology. Individual consultations support students that are blind and visually impaired in their local communities, and TSBVI visits districts across the state upon request. During school year 2019–20, TSBVI conducted or facilitated 211 conferences and workshops for 14,928 participants. TSBVI indirectly serves most of the state's students that are visually impaired or deaf-blind through collaboration with regional Education Service Centers to support school districts and families across the state.

The TSBVI Curriculum Department provides evaluation and instructional support to classroom teachers and residential instructors on campus. In addition, the department develops and provides instructional materials

sold worldwide and used by families and professionals serving students with visual impairments, blindness, and deaf-blindness.

TSBVI Short-term Programs offer three-day to five-day classes on campus and online that emphasize adaptive technology, math tools, social interaction, travel, and independent living. During school year 2019–20, 205 students were served by Short-term Programs. Summer programs emphasize real-life skills such as personal care, home care, money management, and travel. The calendar year 2019 summer program served 177 students, and the calendar year 2020 program served 108 students.

In addition, Outreach Resources includes Professional Education in Visual Impairment, a collaborative teacher preparation program among TSBVI and Texas Tech and Stephen F. Austin universities that provides tuition stipends to educate qualified specialists for blind and visually impaired students. Funding appropriated for Outreach Resources totals \$9.8 million in All Funds.

## CLASSROOM INSTRUCTION

Classroom Instruction provides comprehensive Instructional Services for elementary school through high school during the regular school year for students ages six to 21 that are blind, deaf-blind, or visually impaired, that need specialized and intensive services related to their visual impairments, and for whom an appropriate education is not available in their local schools. The school's 45.0-acre campus is located in Austin. The school is accredited by the Texas Education Agency and is established as part of the public education system of Texas to serve as a special school in the continuum of statewide alternative placements for students that have visual impairments.

Local school districts that place students at TSBVI are required by the Texas Education Code to share the cost of educating those students. In accordance with federal law, the local (home) school district is responsible for providing a free appropriate public education (FAPE) that addresses the intensive or specialized needs of visually impaired children and youth. When local districts are unable to meet FAPE requirements, a referral for admission to TSBVI may be originated by the student's local school district in collaboration with the student's parent or guardian. TSBVI cannot accept direct referrals from parents or guardians. **Figure 173** shows the number of students enrolled in comprehensive, residential, short-term, and summer programs at TSBVI during school year 2019–20.

During school year 2019–20, the school’s comprehensive programs served 145 students including six postsecondary students. Appropriations for the school’s comprehensive special education programs for the 2022–23 biennium totals \$12.6 million in all funds.

**Figure 174** shows the number of students with multiple disabilities, including deaf-blindness, autism, cerebral palsy, and other disabilities. During the last five school years, the percentage of students with multiple disabilities typically has ranged from two-thirds to three-fourths of the total student population.

**STUDENT SUPPORT SERVICES**

Student Support Services provides related services for visually impaired students including orientation and mobility, social work, physical therapy, occupational therapy, and speech therapy. Support Services includes Student Transportation. Funding appropriated for Support Services totals \$11.6 million in All Funds.

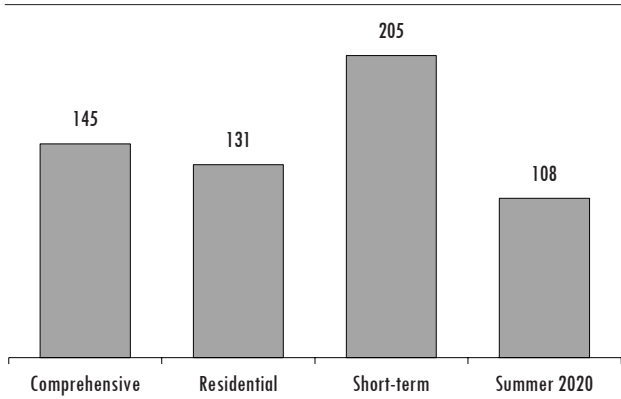
**RESIDENTIAL PROGRAMS**

Residential Programs provide Residential Housing and Instruction – Independent and Supported Living Curriculum, which includes on-campus housing for residential students and student development programs such as independent living, social and daily living skills, and decision-making skills. Of the 145 students served in the Classroom Instruction program during school year 2019–20, 131 were residential program students. Funding appropriated for Residential Programs totals \$7.4 million in All Funds.

**SCHOOL ADMINISTRATION**

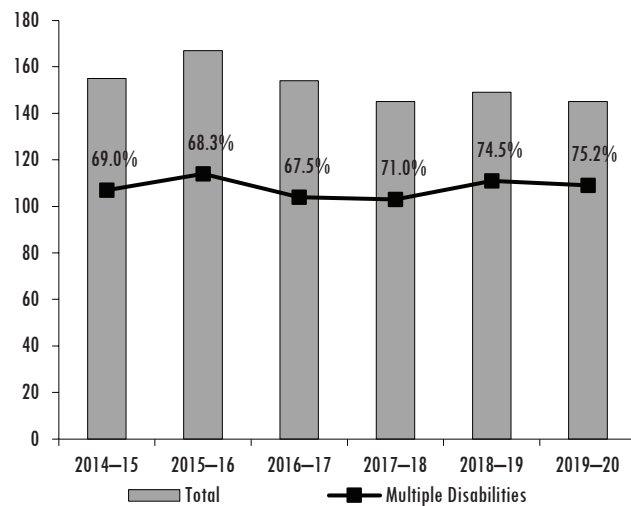
School Administration includes Central Administration, which supports administrative functions including the governing board, superintendent’s office, internal audit, human resources, business office, and information management. It also includes Campus Support Services for daily operations, including warehouse functions, mail services, data processing and repairs, telephone and utilities, and federal Americans with Disabilities Act accommodations. Funding appropriated for School Administration totals \$6.9 million in All Funds.

**FIGURE 173**  
STUDENTS SERVED BY PROGRAMS AT THE TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED  
SCHOOL YEAR 2019–20



SOURCE: Texas School for the Blind and Visually Impaired.

**FIGURE 174**  
TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED  
STUDENTS WITH MULTIPLE DISABILITIES COMPARED TO  
TOTAL STUDENT POPULATION IN THE SCHOOL YEAR  
COMPREHENSIVE PROGRAM  
SCHOOL YEARS 2013–14 TO 2019–20



SOURCE: Texas School for the Blind and Visually Impaired.

## TEXAS SCHOOL FOR THE DEAF

**PURPOSE:** Provide direct educational services to students ages 0 to 22 years, including residential programs, and serve as a statewide educational resource center on deafness by providing a variety of outreach services to deaf students, their families, school districts, and professionals involved in deaf education.

**ESTABLISHED:** 1856

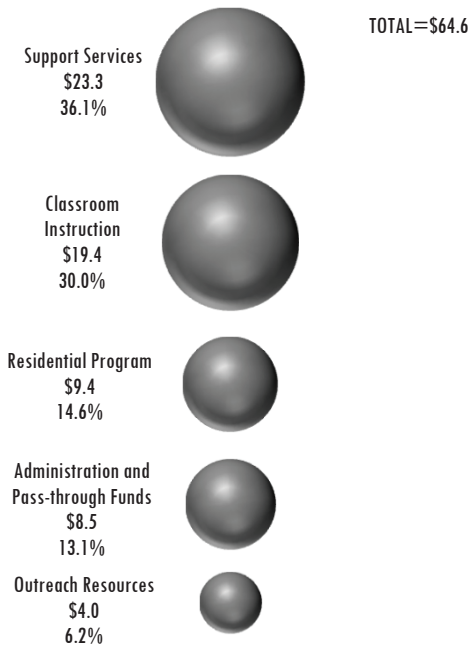
**AUTHORIZING STATUTE:** The Texas Education Code, Chapter 30, Subchapter C

**GOVERNANCE:** Board of Trustees—nine members appointed by the Governor and confirmed by the Senate, meeting certain statutory specifications

**FIGURE 175**  
**TEXAS SCHOOL FOR THE DEAF BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$37.4	\$39.3	\$1.9	5.2%	<table border="1"> <tr> <td><b>2022</b></td> <td>445.1</td> </tr> <tr> <td><b>2023</b></td> <td>445.1</td> </tr> </table>	<b>2022</b>	445.1	<b>2023</b>	445.1
<b>2022</b>	445.1								
<b>2023</b>	445.1								
General Revenue—Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$2.3	\$2.6	\$0.3	14.2%					
Other Funds	\$22.3	\$22.8	\$0.5	2.2%					
<b>Total, All Methods of Finance</b>	<b>\$61.9</b>	<b>\$64.6</b>	<b>\$2.7</b>	<b>4.4%</b>					

### INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations provide a funding **increase of \$2.7 million in All Funds**, primarily due to the restoration of decreases made to academic programs during the 2020–21 biennium.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Funding appropriated for the Texas School for the Deaf (TSD) for the 2022–23 biennium represents an All Funds increase of \$2.7 million, or 4.4 percent. This increase is attributable primarily to an appropriation of \$1.2 million in General Revenue Funds to restore decreases made during the 2020–21 biennium, \$686,666 for restoration of funding for summer programs, and anticipated increases in Federal Funds and Appropriated Receipts.

**PROGRAMS**

TSD operates a 67.5-acre campus located in Austin and provides students that are deaf or hard of hearing with early childhood education, academic and career training from kindergarten to high school, and transitional postsecondary services. **Figure 176** shows the number of students enrolled in the school’s comprehensive, residential, and short-term programs. A comprehensive program of extracurricular and cocurricular services includes athletics, intramural sports, and Special Olympics training after school hours. Students also are supported by specialized related services including counseling, physical therapy, health services, occupational therapy, and audiological and speech therapy.

In addition to day and residential educational services, the school is the primary statewide resource center on deafness. TSD provides expertise and technical assistance to students, families, and professionals across Texas.

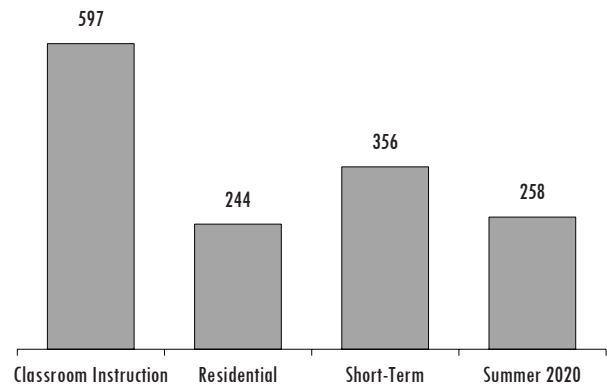
**SUPPORT SERVICES**

Support Services includes Assessment and Diagnostics, providing the initial evaluation of each child as required by the federal Individuals with Disabilities Education Act (IDEA) and reevaluations of all enrolled students.

Additional student services include counseling, behavioral support, speech therapy, audiology, interpreting services, health services, physical therapy, and occupational therapy.

The number of students with other disabilities in addition to deafness represents approximately 53.4 percent of student enrollment. These students may have visual impairments, physical impairments, cognitive or developmental impairments, autism spectrum disorders, or other health impairments. Some students may have significant psychological, emotional, or behavioral issues that require intervention plans. **Figure 177** shows the number of students with multiple disabilities compared to total student enrollment.

**FIGURE 176**  
**STUDENT ENROLLMENT AT TEXAS SCHOOL FOR THE DEAF**  
**SCHOOL YEAR 2019–20**



SOURCE: Texas School for the Deaf.

The Career Center and Career Technical Education programs provide hands-on technical training to prepare students with marketable job skills and career center services to help students explore potential career fields. The Adult Curriculum for Community, Employment, and Social Skills (ACCESS) Program is an adult transitional program for community living, employment, and social skills. Services are individualized and focus on work training, postsecondary preparation, independent living skills, and social and emotional development.

Student transportation is provided daily for Austin-area students, and weekend home transportation is provided to students that reside on campus during the school week and return home on the weekends to locations across the state. Funding appropriated for transportation totals \$5.1 million in All Funds.

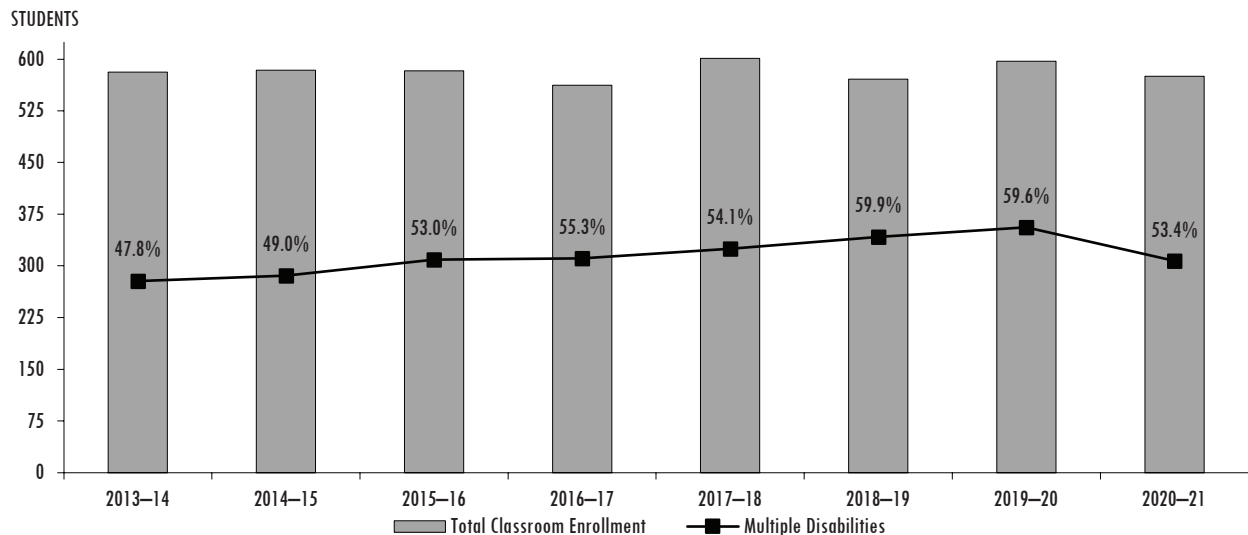
**CLASSROOM INSTRUCTION**

Classroom Instruction includes the Instructional Services (Parent/Infant through High School) program, which provides comprehensive educational services during the school year for individuals age 21 or younger that are deaf or hard of hearing and that may have multiple disabilities. Students may be referred to TSD through the admission, review, and dismissal (ARD) process by their local school districts or by their parents. Early childhood intervention programs may refer children younger than age three, and students ages 18 or older may refer themselves for admission.

The Texas Education Code requires local school districts to share in the cost of educating students attending TSD. When



**FIGURE 177**  
**TEXAS SCHOOL FOR THE DEAF STUDENTS WITH MULTIPLE DISABILITIES AND COMPLEX EMOTIONAL AND BEHAVIORAL ISSUES COMPARED TO TOTAL CLASSROOM ENROLLMENT, SCHOOL YEARS 2013–14 TO 2020–21**



NOTE: Students that have multiple disabilities include those identified as having learning disability, other health impairment, autism spectrum disorder, emotional disturbance, speech or language impairment, visual impairment, deaf-blindness, intellectual disability, orthopedic impairment, or traumatic brain injury.  
 SOURCE: Texas School for the Deaf.

a local school district makes a referral on a student’s behalf, the district conducts an ARD meeting, which includes parents and local school district representatives. When a parent referral is made, TSD staff conducts the ARD meeting, and the district is encouraged to attend.

Classroom Instruction includes academic, career, life skills, and related services. During school year 2020–21, TSD served 597 students in classroom instruction programs. Funding appropriated for Classroom Instruction for the 2022–23 biennium totals \$18.6 million in All Funds.

**RESIDENTIAL PROGRAMS**

Residential Programs provide on-campus housing, tutoring, character education, independent living training, and other social and cultural experiences. In addition, after-school programs include athletics, performing arts, a tutor center, American Sign Language (ASL), and the student worker program. During the school year, approximately 40.0 percent of TSD students live on campus while attending classes, and the remainder are nonresidential students who attend classes as day students and live in Austin and surrounding areas. During school year 2019–20, 244 students were enrolled in the school’s residential program. During school year 2020–21, 223 students were enrolled in the school’s residential

program. Funding appropriated for Residential Programs for the 2022–23 biennium totals \$9.4 million in All Funds.

**SCHOOL ADMINISTRATION**

School Administration supports daily operations of the agency, including the superintendent’s office and security and safety. Funding appropriated for School Administration totals \$8.5 million in All Funds.

**OUTREACH RESOURCES**

Outreach Resources provide multiple programs and resources for students, families, professionals, and school districts such as retreats, distance learning opportunities, sign language instruction, parent mentoring, and summer programs. Funding appropriated for Outreach Resources totals \$4.8 million in All Funds.

**CAMPUS CONSTRUCTION PROJECTS**

For the 2020–21 biennium, TSD was appropriated \$5.1 million in General Revenue Funds for a new Central Services and Early Learning Center. Construction was completed in November 2021.

## TEACHER RETIREMENT SYSTEM OF TEXAS

**PURPOSE:** Deliver service and disability retirement benefits, death and survivor benefits, and group healthcare coverage for employees of public school districts and institutions of higher education; and manage assets held in trust.

**ESTABLISHED:** 1937

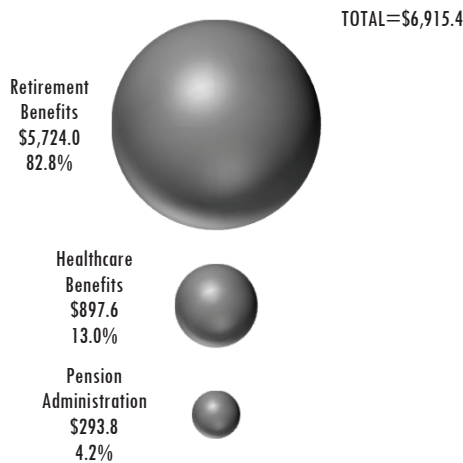
**AUTHORIZING STATUTE:** The Texas Government Code, Chapters 821–825

**GOVERNANCE:** Board of Trustees—nine members appointed by the Governor with the advice and consent of the Senate

**FIGURE 178**  
**TEACHER RETIREMENT SYSTEM OF TEXAS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$5,076.3	\$6,559.8	\$1,483.5	29.2%	2022 768.3
General Revenue–Dedicated Funds	\$48.8	\$52.4	\$3.6	7.4%	
Federal Funds	\$0.0	\$0.0	\$0.0	N//A	2023 783.3
Other Funds	\$805.4	\$303.2	(\$502.2)	(62.4%)	
<b>Total, All Methods of Finance</b>	<b>\$5,930.5</b>	<b>\$6,915.4</b>	<b>\$984.9</b>	<b>16.6%</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Funding includes an **increase in the state contribution rate to the retirement fund from 7.5 percent in the 2020–21 biennium to 7.75 percent in fiscal year 2022 and 8.0 percent in fiscal year 2023** pursuant to Senate Bill 12, Eighty-sixth Legislature, 2019.

Funding provides a **1.25 percent state contribution to TRS-Care**, the retiree healthcare program. Public education employers and employees also contribute 0.75 percent and 0.65 percent, respectively.

Funding includes **\$701.1 million in General Revenue Funds to provide a onetime additional annuity payment** to Teacher Retirement System of Texas (TRS) retirees pursuant to Senate Bill 7 and House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021.

NOTE: Administrative appropriations represent only expenditures associated with the Pension Trust Fund and exclude administrative expenses associated with TRS-Care, TRS-ActiveCare, and the 403(b) program, which are paid from trust funds or accounts associated with those programs and are not part of the appropriations process.  
SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Funding appropriated to the Teacher Retirement System (TRS) of Texas for the 2022–23 biennium totals \$6.9 billion in All Funds, an increase of \$984.9 million, or 16.6 percent. This increase is attributable primarily to the following amounts:

- an increase of \$459.3 million in General Revenue Funds for additional state retirement contributions attributable to estimated payroll growth of 2.5 percent and an increase in the state contribution rate to the retirement fund from 7.5 percent in the 2020–21 biennium to 7.75 percent in fiscal year 2022 and 8.0 percent in fiscal year 2023 pursuant to Senate Bill 12, Eighty-sixth Legislature, 2019;
- \$39.5 million in General Revenue Funds for the state-required contribution to TRS-Care for the 2022–23 biennium; and
- \$701.1 million in General Revenue Funds to provide a onetime additional annuity payment to TRS retirees pursuant to Senate Bill 7 and House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021.

Additionally, funding for the 2022–23 biennium includes an increase of \$21.8 million in Other Funds (Pension Trust Funds) and 10.0 full-time-equivalent (FTE) positions in fiscal year 2022 and 25.0 FTE positions in fiscal year 2023 for pension administration.

TRS also received \$286.3 million in Federal Funds not shown in **Figure 178** to offset the effects of expenses related to the COVID-19 pandemic on TRS-Care and TRS-Active Care premiums, pursuant to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021.

## PROGRAMS

### RETIREMENT

TRS administers a traditional, defined-benefit retirement plan that provides service and disability retirement and death and survivor benefits to eligible Texas public education and higher education employees and their beneficiaries. As of August 31, 2021, TRS had approximately 1.9 million members, including 918,545 active members, 458,133 retirement recipients, and 501,241 inactive vested and nonvested members. Benefit calculations are determined by statute and are based on an employee's age and years of creditable service. Certain eligible employees of institutions of higher education may choose instead to participate in the Optional Retirement Program, a defined-contribution, 403(b) plan administered by the Texas

Higher Education Coordinating Board. Funding for TRS retirement contributions for the 2022–23 biennium totals \$5.0 billion in All Funds.

Retirement benefits are financed by member, state, and employer contributions based on employee payroll; and by investment earnings of the pension trust fund. Senate Bill 12, Eighty-sixth Legislature, 2019, increased the statutorily required state, member, and employer contributions for fiscal years 2020 to 2025 to make the pension fund actuarially sound.

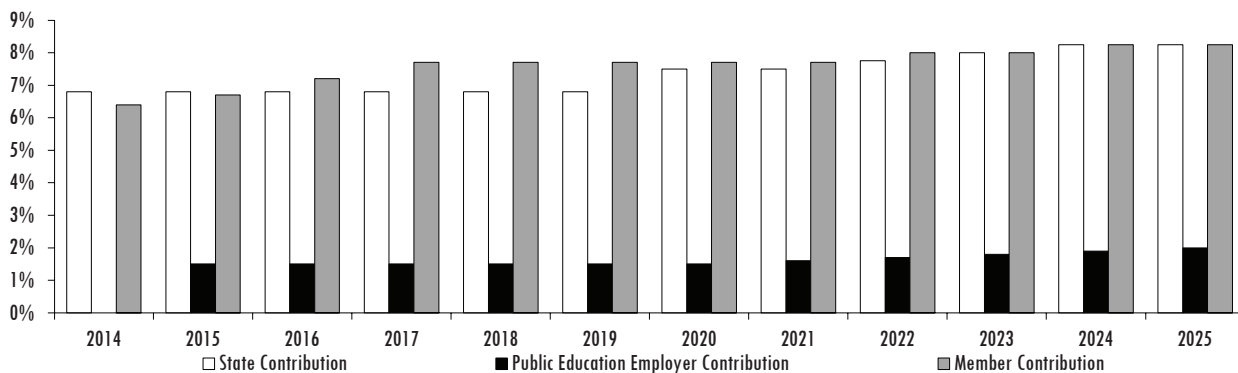
Appropriation amounts to pay the state contribution are estimated and based on a state contribution rate of 7.75 percent of eligible compensation in fiscal year 2022 and 8.0 percent of eligible compensation in fiscal year 2023, an increase from 7.5 percent in the 2020–21 biennium. In addition to General Revenue Funds and General Revenue–Dedicated Funds, a portion of the state contribution is paid by public and higher education employers, as required by statute. State retirement contributions to TRS for public community and junior colleges are limited to 50.0 percent of the creditable compensation of members whose duties are instructional or administrative. An additional limit to state retirement contributions applies for each community and junior college. The limit is based on the growth in each college's staff size in proportion to changes in student enrollment.

Pursuant to Senate Bill 12, Eighty-sixth Legislature, 2019, all public education employers are required to contribute an additional percentage of either actual employee pay or the statutorily required minimum salary for employees subject to the Minimum Salary Schedule pursuant to the Texas Education Code, Section 21.402. This contribution rate is 1.7 percent for fiscal year 2022 and 1.8 percent for fiscal year 2023, an increase from 1.5 percent for fiscal year 2020 and 1.6 percent for fiscal year 2021. Before the passage of Senate Bill 12, only public education employers that did not participate in Social Security were required to make a contribution.

The employee contribution rate for the 2022–23 biennium is 8.0 percent of salary, an increase from the 2020–21 biennial contribution rate of 7.7 percent. **Figure 179** shows the funded contribution rates for fiscal years 2014 to 2021 and contribution rates for fiscal years 2022 to 2025 required by Senate Bill 12.

The payroll growth rate is another significant factor in determining state funding requirements, because state contributions for retirement and retiree health are based on a percentage of active employee compensation. Estimated annual payroll growth during the 2020–21 biennium was 3.9 percent

**FIGURE 179**  
**TEACHER RETIREMENT SYSTEM OF TEXAS STATE, EMPLOYER, AND MEMBER CONTRIBUTION RATES, FISCAL YEARS 2014 TO 2025**



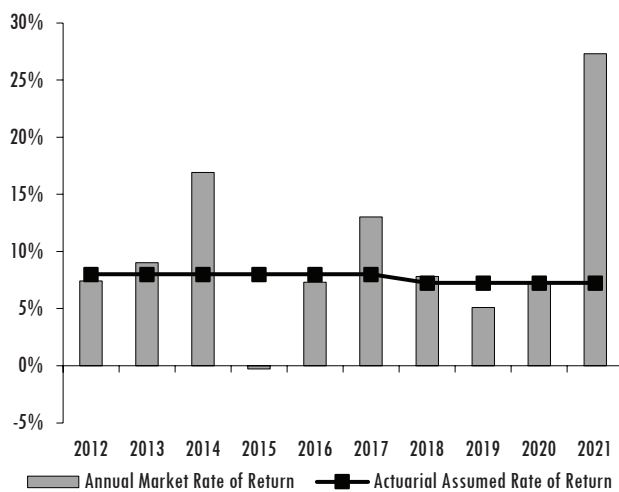
NOTE: For fiscal years 2015 to 2019, only public education employers that did not participate in the federal Social Security program were required to contribute 1.5 percent of payroll. Beginning in fiscal year 2020, all public education employers are required to make this contribution. The contribution rate increases to 1.6 percent for fiscal year 2021.  
 SOURCE: Teacher Retirement System of Texas.

for public education and 5.6 percent for higher education, with actual public education payroll growth of 7.3 percent for public education and 7.1 percent for higher education during fiscal year 2020. This growth was driven by population growth, increasing student enrollment, and the increase of educational staff in school districts across the state. The assumed growth rate of public education payroll for the 2022–23 biennium is an average of 2.5 percent for each fiscal year for TRS retirement programs and 2.0 percent for TRS-Care programs.

Investment earnings contribute a major role in determining the health of the pension trust fund, accounting for approximately 83.0 percent of fund revenues during fiscal year 2021. TRS manages assets across a diversified portfolio allocation that includes global equity, stable value, and real return. The annual return on investment for fiscal year 2021 was 25.0 percent, increasing the market value of pension assets to \$201.2 billion at the end of fiscal year 2021. The three-year, five-year, and 10-year returns as of June 30, 2021, are 11.3 percent, 11.2 percent, and 9.0 percent, respectively.

The annual actuarial assumed rate of return is 7.25 percent. This assumption is used to assess the long-term health of the retirement trust and determine whether the system will be able to meet obligations. In July 2018, the TRS Board of Trustees decreased the return assumption from 8.0 percent to 7.25 percent to provide a more reasonable forecast of current and future financial conditions. This lower return assumption increased the projected contributions and length of time, or funding period, needed to pay off the unfunded actuarially accrued liability. Senate Bill 12, Eighty-sixth Legislature,

**FIGURE 180**  
**TEACHER RETIREMENT SYSTEM TRUST FUND'S**  
**ACTUAL ANNUAL RETURN ON INVESTMENT**  
**COMPARED TO ACTUARIAL ASSUMED RATE OF RETURN**  
**FISCAL YEARS 2012 TO 2021**



NOTE: The 10-year average annual return for fiscal years 2012 to 2021 is 9.0 percent.  
 SOURCE: Teacher Retirement System of Texas.

2019, provided additional contributions and has lowered the funding period to 27.0 years as of August 31, 2020. Pursuant to statute, plans with funding periods of less than 31.0 years are considered actuarially sound. **Figure 180** shows the actuarial assumed rate of return and the annual rate of return on investments since fiscal year 2011.

**ADMINISTRATIVE OPERATIONS**

The Pension Trust Fund finances administrative operations for the retirement program and investment management. Funding for the 2022–23 biennium totals \$303.2 million in Other Funds (Pension Trust Funds) and 768.3 FTE positions in fiscal year 2022 and 783.3 positions in fiscal year 2023. This funding level represents an increase of \$21.8 million in Other Funds (Pension Trust Funds) and 10.0 FTE positions in fiscal year 2022 and 25.0 positions in fiscal year 2023 from the 2020–21 biennium. The new FTE positions are to enable the agency’s Investment Management Division to increase the share of pension assets managed internally, which TRS expects to result in savings to the retirement fund by decreasing fees paid to external managers.

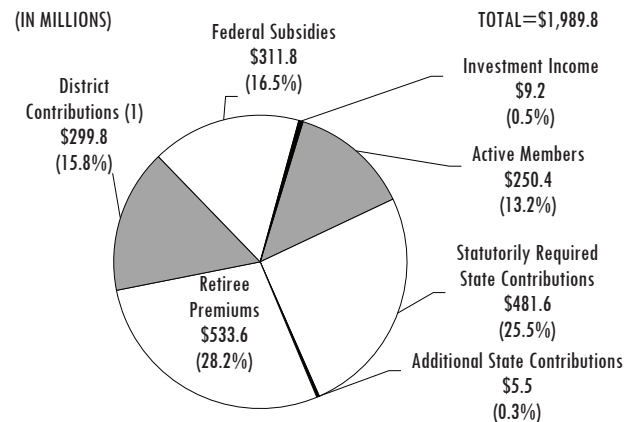
Amounts appropriated for administrative operations of the agency apply only to expenditures associated with payment of retirement benefits and management of the assets in the Pension Trust Fund. Administrative expenses associated with other programs administered by the agency, including TRS-Care and TRS-ActiveCare, are paid from trust funds or accounts associated with those programs and are not part of the appropriations process.

**RETIREE HEALTHCARE**

Health coverage through TRS-Care is available for eligible retirees and their dependents. As of August 31, 2021, TRS-Care had 219,831 total participants. Of this number, 179,594 are retirees; the remainder are dependents, surviving spouses, and surviving dependent children. The TRS-Care program is funded by participant premiums, federal subsidies, and regular payroll contributions from the state, active employees, and school districts. TRS-Care is not prefunded like the retirement plan; it is funded on a pay-as-you-go basis. For the 2022–23 biennium, state, employer, and active employee contribution rates are 1.25 percent, 0.75 percent, and 0.65 percent, respectively. Statutorily required state contributions to TRS-Care for the 2022–23 biennium total \$897.6 million in General Revenue Funds, an increase of \$39.5 million to cover projected payroll growth during the 2022–23 biennium. **Figure 181** shows total funding by source for TRS-Care for fiscal year 2021.

The TRS-Care program faces an ongoing funding gap between the revenues generated by statutorily required contributions and the cost of providing health benefits. Required contributions from the state, school districts, and active employees are based on public education payroll, which grows at a modest rate. However, program costs are

**FIGURE 181**  
**TRS-CARE CONTRIBUTIONS BY SOURCE**  
**FISCAL YEAR 2021**



NOTE: District contributions include the 0.75 percent employer contribution, amounts paid by districts from federal funding and private grants to fund the 1.25 percent state contribution as required by statute, and district payments to the Teacher Retirement System of Texas (TRS) for a surcharge owed on return-to-work employees.  
SOURCE: Teacher Retirement System of Texas.

related to higher rates of healthcare and prescription drug inflation. TRS-Care also faced significant costs related to the COVID-19 pandemic. TRS-Care had \$74.0 million and \$129.0 million in pandemic-related claims in fiscal years 2020 and 2021, respectively. For the 2022–23 biennium, appropriations to TRS-Care include \$286.3 million in Federal Funds to cover the costs associated with the COVID-19 pandemic. This additional funding is provided to prevent an increase in member premiums or a decrease in benefits from the plan year 2019 levels.

Before fiscal year 2018, TRS-Care experienced a structural funding shortfall due to the recurring funding gap and additional legislative restrictions on member premiums. For several previous biennia, the General Appropriations Act (GAA) directed TRS not to increase retiree premiums, and statute directed TRS to provide a basic health plan at no cost to the retiree. These provisions, intended to keep retiree healthcare affordable while a long-term solution was found, decreased the program’s capacity to generate the level of revenue required to fully fund benefits. House Bill 3976, Eighty-fifth Legislature, Regular Session, 2017, and the Eighty-fifth Legislature, GAA, 2018–19 Biennium, eliminated the structural shortfall by removing the restriction on premiums and eliminating the requirement that TRS offer a basic plan at no cost to retirees. The legislation further decreased the gap between

revenues and costs by significantly modifying plan structure and benefits and by providing \$394.6 million in onetime additional General Revenue Funds. Following these changes, the average premium per member increased by 47.0 percent during plan year 2018. Since then, the Legislature has directed TRS not to increase premiums above the plan year 2019 level.

**ACTIVE MEMBER HEALTHCARE**

TRS administers TRS-ActiveCare, which is a group healthcare program for active employees of local public schools. Currently, 1,088 school districts, charter schools, and regional education service centers participate. With few exceptions, school districts that have fewer than 500 employees are required to participate in the ActiveCare program, and districts that have more than 500 employees may join the program with proper notification to the TRS trustees. As of August 31, 2021, TRS served 470,379 participants, consisting of 302,627 employees and 167,752 dependents, in the TRS-ActiveCare program.

TRS-ActiveCare is funded by state and employer contributions and by employee premiums. Statute requires a minimum state contribution of \$75 per employee per month, which is distributed through the Foundation School Program school finance formulas. Districts are required to contribute a minimum of \$150 per employee per month toward the premiums of participating members, for a total of \$225 toward the cost of coverage. Employee premiums cover the remainder of program costs. Minimum state and employer contributions have not changed since the program was implemented in fiscal year 2001.

Significant cost growth in the program without additional state subsidy has decreased the affordability of ActiveCare plans. According to TRS, rising prescription drug costs, including specialty drugs, and other medical cost increases contribute significantly to plan costs. To balance costs and revenues, TRS has raised premiums significantly and made several benefit design changes since the program began.

**SIGNIFICANT LEGISLATION**

**Senate Bill 7 and House Bill 4 – Additional annuity for TRS Retirees.** Senate Bill 7 provides for a onetime additional annuity for TRS Retirees, commonly referred to as the thirteenth check. House Bill 4 provides funding of \$701.1 million for the initial annuity payment so that the legislation does not affect the actuarial soundness of the pension system.

**Senate Bill 8, Third Called Session – Supplemental appropriations.** The legislation provides \$286.3 million in Federal Funds to offset costs incurred by TRS-Care and TRS-Active Care related to the COVID-19 pandemic.

## OPTIONAL RETIREMENT PROGRAM

**PURPOSE:** Provide a defined contribution plan for public higher education faculty, librarians, and certain administrators and professionals as an alternative to the defined benefit retirement plan administered by the Teacher Retirement System of Texas.

**ESTABLISHED:** 1967

**AUTHORIZING STATUTE:** The Texas Government Code, Chapter 830

**GOVERNANCE:** Texas Higher Education Coordinating Board oversees applicable rules; each university administers its own program

**FIGURE 182**  
**OPTIONAL RETIREMENT PROGRAM BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$256.6	\$259.7	\$3.1	1.2%	<table border="1"> <tr> <td>2022</td> <td>0.0</td> </tr> <tr> <td>2023</td> <td>0.0</td> </tr> </table>	2022	0.0	2023	0.0
2022	0.0								
2023	0.0								
General Revenue–Dedicated Funds	\$104.4	\$111.4	\$6.9	6.6%					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	N/A					
<b>Total, All Methods of Finance</b>	<b>\$361.0</b>	<b>\$371.1</b>	<b>\$10.1</b>	<b>2.8%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The **state contribution rate** is **6.6 percent** of employee compensation for the 2022–23 biennium. Schools may contribute additional amounts up to the 8.5 percent statutory cap. The employee contribution rate is 6.65 percent.

**State funding for public community and junior college** instructional and administrative employees is **limited to 50.0 percent** of qualifying compensation. A further decrease applies to these colleges if employee growth exceeds student enrollment growth.

**Funding includes an increase of \$10.1 million in All Funds.** The projected increase is based on the actual average growth rate of General Revenue Funds and General Revenue–Dedicated Funds from fiscal years 2015 to 2020.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Estimated appropriations for the state contribution to the Optional Retirement Program (ORP) total \$371.1 million in All Funds for the 2022–23 biennium, an increase of \$10.1 million from the 2020–21 biennium. This amount is based on an assumed annual growth rate of 0.6 percent for General Revenue Funds, and an assumed annual growth rate of 3.3 percent for General Revenue–Dedicated Funds, based on the actual average growth rate from fiscal years 2015 to 2020.

**PROGRAMS**

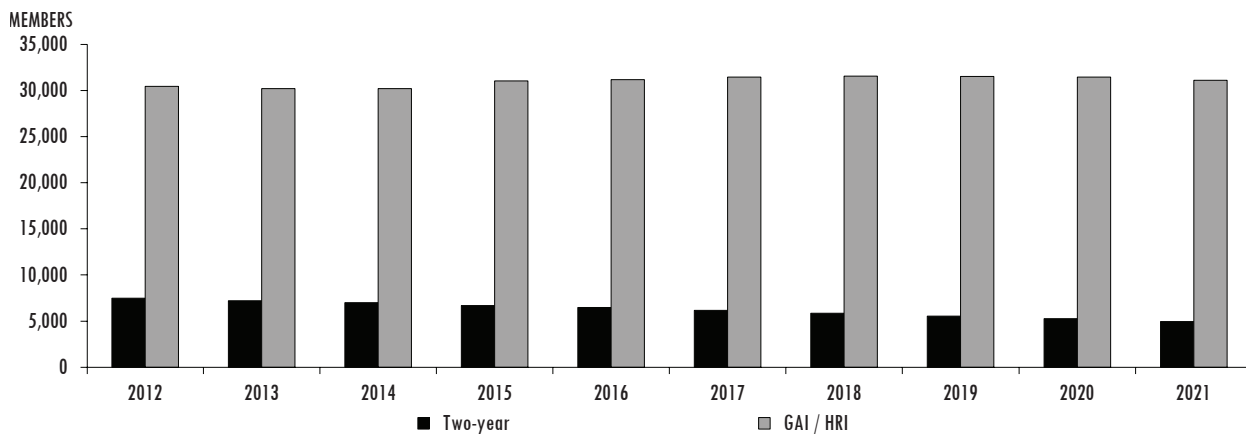
ORP is funded by tax-deferred contributions made by the state and employees. As specified in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium, Article III, ORP, Rider 2, the state contribution rate is 6.6 percent, funded with General Revenue Funds and General Revenue–Dedicated Funds. As required by statute, payments from institutions of higher education support ORP. Institutions also may provide supplements to the state rate up to 8.5 percent of payroll. State funding for ORP at public community and junior colleges is limited to 50.0 percent of the creditable compensation of members whose duties are instructional or administrative. An additional limit to state retirement contributions applies for each community and junior college based on the growth in its staff size in proportion to changes in student enrollment at the college.

New public higher education employees that are employed in an ORP-eligible position have 90.0 days from the first

date of eligibility to make a onetime irrevocable choice between participation in ORP or Teacher Retirement System of Texas (TRS) membership. Employees that elect ORP in lieu of TRS membership must continue to participate in ORP for the remainder of their careers in Texas public higher education. As of August 31, 2021, 4,940 employees of two-year institutions and 31,109 university and health-related institution employees participated in the program. **Figure 183** shows a 10-year trend in ORP membership for two-year institutions compared to four-year and health-related institutions.

ORP features one-year vesting and is a portable benefit that enables participants to maintain their retirement savings after separation from employment in Texas public higher education. Participants that terminate state employment before meeting the ORP vesting requirement forfeit employer contributions made during that period of employment. Employee contribution amounts are based on a percentage of the employee’s salary, which is 6.65 percent, as established by the Texas Legislature. All contributions are invested by the employee through individual investment contracts, pursuant to the U.S. Internal Revenue Code, Section 403(b), purchased from authorized companies. The retirement benefit provided within ORP is based on the accumulated contributions and rate of return earned during the course of the employee’s career and does not include disability retirement benefits or death and survivor benefits. **Figure 184** shows the state and employee contribution rates since fiscal year 1986.

**FIGURE 183**  
**OPTIONAL RETIREMENT PROGRAM MEMBERSHIP FROM TWO-YEAR INSTITUTIONS COMPARED TO GENERAL ACADEMIC INSTITUTIONS (GAI) AND HEALTH-RELATED INSTITUTIONS (HRI)**  
**FISCAL YEARS 2012 TO 2021**



SOURCE: Texas Higher Education Coordinating Board.



**FIGURE 184**  
**OPTIONAL RETIREMENT PROGRAM STATE AND EMPLOYEE CONTRIBUTION RATES**  
**FISCAL YEARS 1986 TO 2021**



SOURCE: Texas Higher Education Coordinating Board.

Each institution’s governing board administers its ORP, and vendor selections must be made from the employer’s authorized list at the same time that ORP is elected. ORP participants assume full responsibility for monitoring their selected companies and investments. The ORP participant’s benefit amount is dependent directly on the actual amounts contributed. The defined contribution plan enables participants to manage their personal investment accounts; therefore, no state provisions are made for improvement of benefits after termination (e.g., cost-of-living adjustments).

## HIGHER EDUCATION COORDINATING BOARD

**PURPOSE:** Coordinate Texas higher education and administer various student financial aid, federal grant, and state-funded trustee programs. The agency establishes a master plan for higher education in Texas; prescribes the role and mission of public higher education institutions; reviews university academic programs, academic and vocational technical programs at the community and technical colleges, and health-related programs; and promotes access to and quality in higher education.

**ESTABLISHED:** 1965

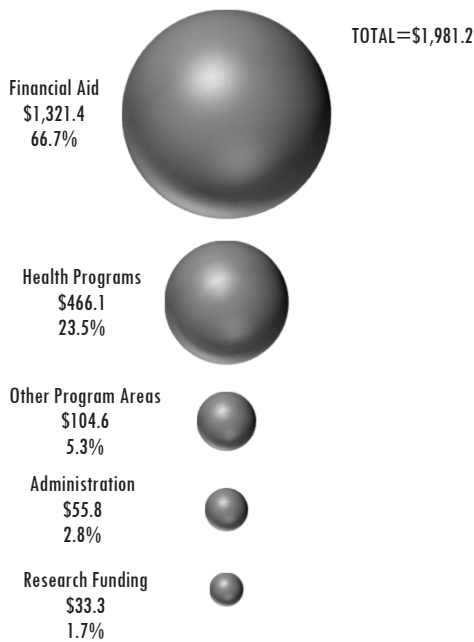
**AUTHORIZING STATUTE:** The Texas Education Code, §61.021

**GOVERNANCE:** Texas Higher Education Coordinating Board—nine members appointed by the Governor with the advice and consent of the Senate

**FIGURE 185  
HIGHER EDUCATION COORDINATING BOARD BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS	
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE		
General Revenue Funds	\$1,567.7	\$1,818.0	\$250.2	16.0%	2022	296.9
General Revenue–Dedicated Funds	\$30.0	\$31.3	\$1.3	4.4%		
Federal Funds	\$236.7	\$68.7	(\$168.0)	(71.0%)	2023	296.9
Other Funds	\$73.1	\$63.1	(\$10.0)	(13.6%)		
<b>Total, All Methods of Finance</b>	<b>\$1,907.5</b>	<b>\$1,981.2</b>	<b>\$73.6</b>	<b>3.9%</b>		

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations for the **Toward EXcellence, Access, and Success Grant program**, which supports students attending public universities, total **\$866.6 million**, an increase of **\$43.2 million** in General Revenue Funds.

Appropriations for the **Tuition Equalization Grant program**, which supports students attending private universities, total **\$178.6 million**, an increase of **\$8.9 million** in General Revenue Funds.

Appropriations for the **Graduate Medical Education Expansion Program**, which supports residency training, total **\$199.1 million**, an increase of **\$45.9 million**.

Appropriations for the **Texas Child Mental Health Care Consortium**, which supports behavioral health initiatives for children, total **\$118.5 million**, an increase of **\$19.5 million**.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Funding for the Texas Higher Education Coordinating Board (THECB) for the 2022–23 biennium totals \$1,981.2 million, which is an increase of \$73.6 million from the 2020–21 biennium. This funding includes increases of \$174.1 million in financial aid programs, \$68.8 million in health programs, \$9.5 million for the OnCourse Program and \$0.5 million in administration. These increases are offset by decreases of \$8.2 million in tobacco funds and \$168.0 million in federal funding, primarily due to \$175.0 million in Governor’s Emergency Education Relief funds that were allocated to the agency in fiscal year 2021. General Revenue–Dedicated Funds appropriations total \$31.3 million, an increase of \$1.3 million from 2020–21 biennial funding levels, due primarily to funding for the B-On-Time Program, which includes \$1.8 million from General Revenue–Dedicated Account No. 5103, Texas B-On-Time Student Loan, for administration of the program, a decrease of \$1.0 million from 2020–21 biennial levels. Appropriations for the Physician Education Loan Repayment Program include \$29.5 million in General Revenue–Dedicated Funds from Account No. 5144, Physician Education Loan Repayment Program, an increase of \$2.3 million from 2020–21 biennial levels due to the agency realizing more 5.0 percent reductions in the 2020–21 biennium.

## PROGRAMS

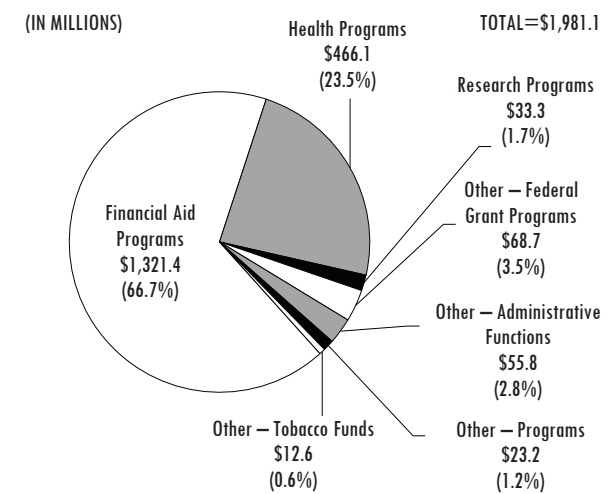
The agency carries out its responsibilities through three major program areas: (1) financial aid, which includes grant and scholarship funding for students attending public and private institutions of higher education; (2) research programs; and (3) health programs, which includes Graduate Medical Education (GME) programs, loan repayment programs for healthcare professionals, and funding for Baylor College of Medicine.

The remaining funding includes programs intended to increase student participation and access, federally funded programs, and programs supported by tobacco funds and administrative functions. **Figure 186** shows the agency’s appropriations by program areas.

### FINANCIAL AID

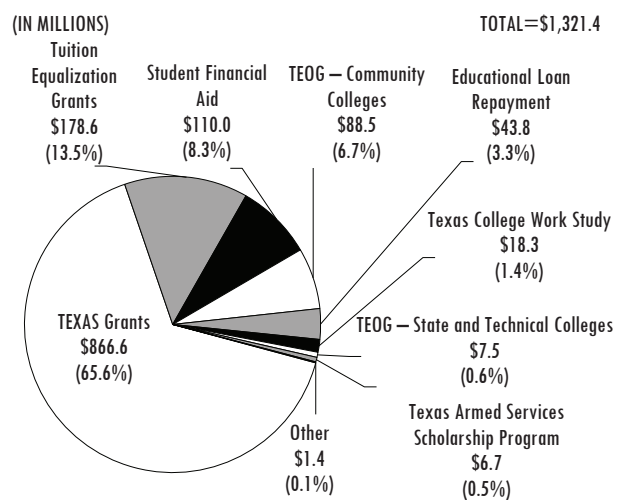
Financial aid constitutes 66.7 percent of the funding in All Funds appropriated to THECB and 71.5 percent in General Revenue Funds and General Revenue–Dedicated Funds. This area includes programs that provide financial assistance to students attending public and private institutions of

**FIGURE 186**  
**TEXAS HIGHER EDUCATION COORDINATING BOARD**  
**APPROPRIATIONS, 2022–23 BIENNIUM**



SOURCE: Legislative Budget Board.

**FIGURE 187**  
**TEXAS HIGHER EDUCATION COORDINATING BOARD**  
**FINANCIAL AID PROGRAMS, 2022–23 BIENNIUM**



**NOTES:**

- (1) TEXAS Grants=Towards EXcellence, Access and Success Grants; TEOG=Texas Educational Opportunity Grant.
- (2) The Other category includes funding for the Educational Aide Program and License Plate Programs.

SOURCE: Legislative Budget Board.

higher education. **Figure 187** shows the appropriations to these programs. The largest financial aid program is the Towards EXcellence, Access, and Success (TEXAS) Grant Program. Appropriations for this program total \$866.6 million, a \$43.2 million increase in General Revenue Funds.

Appropriations to the Tuition Equalization Grant Program total \$178.6 million in General Revenue Funds, an increase of \$8.9 million.

Appropriations to the Texas Educational Opportunity Grant (TEOG) Public Community College Program total \$88.5 million, an increase of \$4.4 million. Appropriations to the TEOG State and Technical Colleges Program total \$7.5 million, an increase of \$0.4 million. The TEOG Public Community College Program awards grants to students attending public community colleges. The TEOG State and Technical Colleges Program awards grants to students attending Lamar State College – Orange, Lamar State College – Port Arthur, Lamar Institute of Technology, and the Texas State Technical Colleges. These programs are supported by appropriations from General Revenue Funds. The agency was appropriated an additional \$110.0 million in General Revenue Funds that will be allocated to the TEXAS Grant Program, Tuition Equalization Grant Program, and TEOG programs. Appropriations to the Work Study Program total \$18.3 million, an increase of \$1.8 million in General Revenue Funds due to the agency realizing more 5.0 percent reductions in the 2020–21 biennium.

The agency's six educational loan repayment programs were consolidated into one strategy, Educational Loan Repayment. These programs include the Teach for Texas Loan Repayment Program, Math and Science Scholars Loan Repayment Program, Peace Officer Loan Repayment Program, Physician Education Loan Repayment Program, Mental Health Professionals Loan Repayment Program, and Nursing Faculty Loan Repayment Program. The Teach for Texas Loan Repayment Program, which provides loan repayments to qualified teachers at preschool, primary, or secondary levels in Texas public schools, is funded at \$2.6 million in General Revenue Funds, which maintains 2020–21 biennial funding levels. Appropriations for the Math and Science Scholars Loan Repayment Program total \$2.6 million, an increase of \$1.9 million due to the agency realizing more savings in the 2020–21 biennium. Appropriations for the Peace Officer Loan Repayment Program total \$4.1 million, an increase of \$0.1 million. Appropriations for the Physician Education Loan Repayment Program total \$29.5 million, an increase of \$2.2 million in General Revenue–Dedicated Funds from Account No. 5144, Physician Education Loan Repayment Program, due to the agency realizing more reductions in the 2020–21 biennium. The program provides loan repayment assistance to qualified physicians that practice in

designated health professional shortage areas or provide specified service levels for individuals enrolled in Medicaid or the Texas Women's Health Program. Appropriations for the Mental Health Professionals Loan Repayment Program and Nursing Faculty Loan Repayment total \$2.1 million and \$1.9 million, respectively.

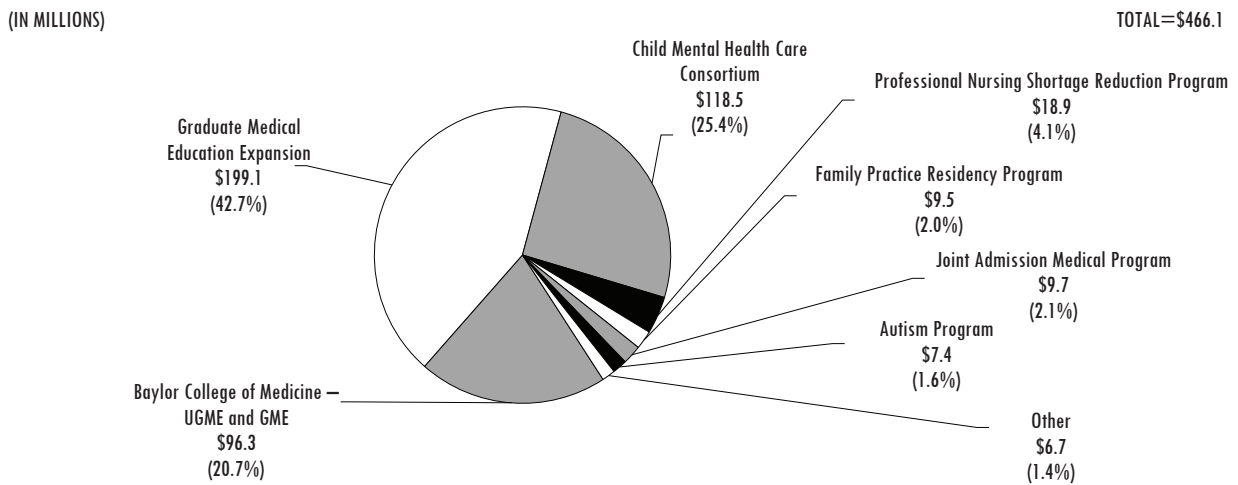
Appropriations for the Texas Armed Services Scholarships Program total \$6.7 million, an increase of \$0.5 million. Appropriations for the Educational Aide Program total \$1.0 million, an increase of \$0.3 million due to the agency identifying additional savings in the 2020–21 biennium. Appropriations for license plate programs total \$0.5 million, which maintains 2020–21 biennial funding levels.

### HEALTH PROGRAMS

Appropriations for the health-related programs, which include funding for Baylor College of Medicine, total \$466.1 million for the 2022–23 biennium, an increase of \$68.8 million. **Figure 188** shows the appropriations to these programs. This increase is due primarily to increased funding for the Graduate Medical Education (GME) Expansion program and funding for the Texas Child Mental Health Care Consortium. Total funding for the GME Expansion program is \$199.1 million, which is an increase of \$45.9 million in General Revenue Funds to meet the 1.1-to-1.0 ratio of first-year residency positions for each Texas medical school graduate. Senate Bill 18, Eighty-fourth Legislature, 2015, established the Permanent Fund Supporting Graduate Medical Education, supported by a transfer of funds from the Texas Medical Liability Joint Underwriting Association. GME Expansion supports onetime GME planning and partnership grants, funding to enable new or existing GME programs to increase the number of first-year residency positions, funding for unfilled residency positions, and continuation awards for programs that received grant awards during fiscal year 2015.

Senate Bill 11, Eighty-sixth Legislature, 2019, established the Texas Child Mental Health Care Consortium. Total funding for the program is \$118.5 million, an increase of \$19.5 million in General Revenue Funds. Funding is allocated for the following initiatives: (1) Child Psychiatry Access Network that provides consultation services and training opportunities for pediatricians and primary care providers; (2) Texas Child Health Access Through Telemedicine for the establishment or expansion of telemedicine or telehealth programs to identify and assess behavioral health needs and provide access to mental

**FIGURE 188**  
**TEXAS HIGHER EDUCATION COORDINATING BOARD HEALTH PROGRAMS APPROPRIATIONS 2022–23 BIENNIUM**



NOTES:

- (1) UGME=undergraduate medical education program; GME=graduate medical education program.
  - (2) The Other category includes Physician and Nursing Trauma Care Program (\$3.9 million), and the Preceptorship Program (\$2.8 million).
- SOURCE: Legislative Budget Board.

healthcare services; (3) Workforce Expansion that would support community psychiatric workforce expansion projects; (4) Child and Adolescent Psychiatry Fellowships that expands the number of child and adolescent psychiatry fellowship positions in Texas and the number of these training programs at health-related institutions; and (5) research that coordinates mental health research across the state university systems in accordance with the statewide behavioral health strategic plan developed by the Texas Health and Human Services Commission. THECB was appropriated \$9.5 million for the Family Practice Residency Program for the 2022–23 biennium, a decrease of \$0.5 million due to the agency implementing a 5.0 percent reduction. Funding for the program was not reduced in the 2020–21 biennium. THECB allocates the funds based on the certified number of residents training in each approved family practice residency program.

Appropriations for the Preceptorship Program total \$2.9 million in General Revenue Funds, an increase of \$0.1 million. The program provides stipends to medical students that participate in the program as incentive for them to pursue careers in the primary care field.

Appropriations for Autism Programs total \$7.4 million, a decrease of \$0.2 million. These programs support autism research centers at institutions of higher education that currently provide evidence-based behavioral services and training.

The Sixty-first Legislature, Regular Session, 1969, authorized THECB to contract with the Baylor College of Medicine, a private institution, for the education of undergraduate medical students that are Texas residents. The amount of funding that Baylor College of Medicine receives is based on the average annual state tax support per undergraduate medical student at the University of Texas Medical Branch at Galveston and the University of Texas Southwestern Medical Center at Dallas. The Eighty-seventh Legislature, Regular Session, 2021, provided Baylor College of Medicine with \$79.4 million in General Revenue Funds for the 2022–23 biennium, an increase of \$6.4 million. Baylor College of Medicine also receives funding for GME totaling \$16.8 million in General Revenue Funds for the 2022–23 biennium, an increase of \$0.2 million.

Appropriations to the Joint Admission Medical Program (JAMP) total \$9.7 million in General Revenue Funds, a decrease of \$0.5 million. Funding for this program was not reduced in the 2020–21 biennium. The program provides assistance to select economically disadvantaged undergraduates enrolled in Texas general academic institutions. Such designated JAMP students are provided with ongoing educational support in preparation for medical school, including summer experiences on medical school campuses and medical college admissions test preparation. Successful students that progress through the undergraduate curriculum are guaranteed admission to a Texas medical school.

Funding for the Professional Nursing Shortage Reduction Program is \$18.9 million, an increase of \$0.3 million due to a transfer of administrative funding in the 2020–21 biennium. The agency is required to distribute this funding in an equitable manner to institutions with nursing programs based on increases in nursing graduates, including institutions graduating their first nursing classes. Previously funding for this program was allocated between three programs: (1) increases in nursing graduates, (2) nursing programs with graduation rates 70.0 percent or greater, and (3) nursing programs with graduations rates of less than 70.0 percent. The agency is required to provide recommendations to the Eighty-eighth Legislature, 2023, on how best to incorporate quality metrics and weighting into the program.

### **RESEARCH PROGRAMS**

Appropriations to the Texas Research Incentive Program, which matches certain gifts at emerging research universities, total \$33.3 million in General Revenue Funds, a decrease of \$1.7 million as part of the 5.0 percent reductions. Funding for this program was not reduced in the 2020–21 biennium.

### **OTHER PROGRAM AREAS**

#### **OTHER PROGRAMS**

Appropriations represent the transfer of the OnCourse Program from the University of Texas at Austin to THECB, resulting in an increase of \$9.5 million in General Revenue Funds and 29.0 full-time-equivalent positions. The OnCourse Program provides educators, students, and parents access to extensive resources for college and career planning. Funding for the Developmental Education Program and Advise TX program has been consolidated into the College Readiness and Success strategy. The appropriations to the Developmental Education Program total \$2.6 million in General Revenue Funds, an increase of \$0.3 million. Appropriations for the Advise TX program total \$3.9 million, an increase of \$0.1 million. Appropriations to the Bilingual Education Program total \$1.5 million, a decrease of \$0.2 million. Appropriations for the Open Educational Resources Program total \$0.5 million, which maintains 2020–21 biennial funding levels.

#### **FEDERAL GRANT PROGRAMS**

Other program areas include one program that is supported by federal funding. The total funding to the agency for the Career and Technical Education Program is \$68.7 million in Federal Funds, an increase of \$7.0 million. The federal Carl D. Perkins Vocational and Technical Education Act funds

this program for the improvement of vocational and technical programs at postsecondary institutions. The funding is trusted to THECB through the U.S. Department of Education. The agency received \$175.0 million in Governor's Emergency Education Relief funds in the 2020–21 biennium. These funds were used to maintain the agency's need-based financial aid programs (\$57.0 million), Emergency Educational Grants (\$46.5 million), Reskilling/Up-skilling Grant Program (\$46.5 million), Data Infrastructure Modernization (\$15.0 million), and Online Learning Support (\$10.0 million).

#### **TOBACCO FUNDS**

Other program areas also include several programs that are supported by tobacco-related funds. The Seventy-sixth Legislature, 1999, established several General Revenue–Dedicated Funds, including the Permanent Health Fund for Higher Education; permanent endowments for each of the individual health-related institutions; the Permanent Fund for Higher Education Nursing, Allied Health, and Other Health-related Programs; and the Permanent Fund for Minority Health Research and Education. THECB provides grants from the Permanent Fund for Higher Education Nursing, Allied Health, and Other Health-related Programs to public institutions that offer upper-level instruction and training in nursing, allied health, or other health-related education. THECB provides grants from the Permanent Fund for Minority Health Research and Education to institutions, including Centers for Teacher Education, that conduct research or educational programs that address minority health issues. These grants also may be awarded to institutions that form partnerships with minority organizations, colleges, or universities to conduct research and educational programs to address minority health issues. The total funding for these two programs is \$5.9 million. Additionally, THECB is trustee of Baylor College of Medicine's endowment fund and Baylor College of Medicine's share of the Permanent Health Fund. Allocations for these two funds total \$6.7 million for the 2022–23 biennium.

#### **ADMINISTRATIVE FUNCTIONS**

THECB has two administrative strategies: Agency Operations and Student Loan Programs. The Agency Operations function includes the Commissioner of Higher Education's Office, accounting services, and network operations. Student Loan Programs provides funding for the agency's loan programs, including the Texas Armed Services Scholarship Program. Total funding for these functions for

the 2022–23 biennium is \$55.8 million in All Funds, an increase of \$0.5 million which is primarily due to the agency receiving funding for its relocation into the Capitol Complex in Austin (\$0.7 million), which was offset partially by decreases in anticipated donations (\$0.1 million).

## **SIGNIFICANT LEGISLATION**

### **House Bill 1259 – Rural Veterinarian Incentive Program.**

The legislation transfers the administration of the rural veterinarian incentive program from Texas A&M University to the Texas Animal Health Commission (TAHC). The program authorizes veterinarians in rural areas to receive funds to reduce student debt through the incentive program. THECB administers the program's account to support in the repayment of student loans for eligible veterinarians who qualify in accordance with TAHC rules. General Revenue Funds appropriations were not provided to execute the legislation, but Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, provides appropriations to THECB of \$1.0 million in Federal Funds for this purpose.

**Senate Bill 1102 – TRUE Program.** The legislation establishes the Texas Reskilling and Upskilling Through Education (TRUE) Program. It requires the agency to make grant awards to eligible entities for establishing, restructuring, or expanding workforce training programs that lead to industry certifications or other workforce credentials in high-demand occupations and develop pathways to employment. Eligible entities include a public community, state, or technical college; a consortium of such institutions; or a local chamber of commerce, trade association, or economic development corporation that collaborates with these institutions. General Revenue Funds appropriations were not provided to execute the legislation, but Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, provides appropriations to THECB of \$15.0 million in Federal Funds to operate the TRUE Program.

**Senate Bill 1888 – Texas First Early High School Completion Program and Texas First Scholarship Program.** The legislation establishes the Texas First Early High School Completion Program, which enables public high school students who demonstrate early readiness for college to graduate early. The Texas Education Agency, in consultation with THECB, will establish standards for the program. The legislation also establishes the Texas First Scholarship Program, administered by THECB, which provides financial aid for students who graduate from the Texas First Early High School Completion Program.

## GENERAL ACADEMIC INSTITUTIONS

**PURPOSE:** The general academic institutions in Texas consist of 37 public colleges and universities that provide baccalaureate, masters, professional, and doctoral degree programs. Although all general academic institutions have common goals (instruction, research, and public service), each has a unique set of academic offerings and a unique regional or statewide mission.

**ESTABLISHED:** Various

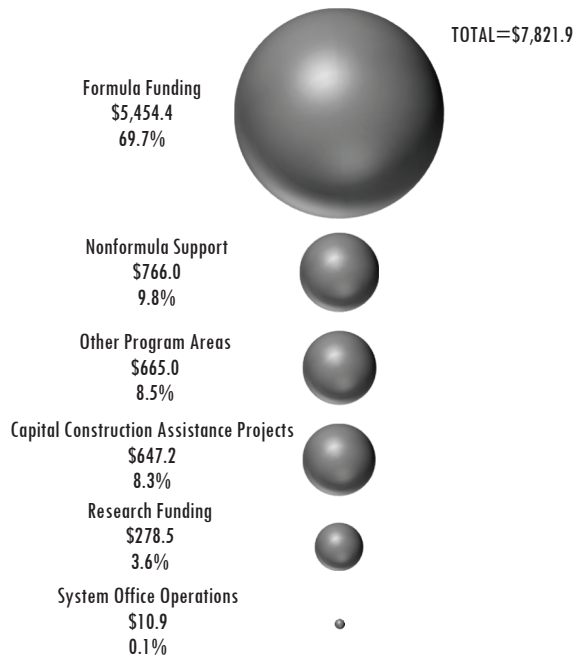
**AUTHORIZING STATUTE:** The Texas Education Code, Chapters 65–111

**GOVERNANCE:** Nine-member boards of regents appointed by the Governor with the advice and consent of the Senate

**FIGURE 189**  
**GENERAL ACADEMIC INSTITUTIONS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$5,220.0	\$5,667.1	\$447.1	8.6%	<b>2022</b> 43,158.4  <b>2023</b> 43,158.4
General Revenue–Dedicated Funds	\$2,191.7	\$2,145.5	(\$46.3)	(2.1%)	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$74.9	\$9.3	(\$65.6)	(87.5%)	
<b>Total, All Methods of Finance</b>	<b>\$7,486.6</b>	<b>\$7,821.9</b>	<b>\$335.3</b>	<b>4.5%</b>	

### INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Formula funding** increased by **\$297.0 million**, or 6.0 percent, in All Funds compared to 2020–21 biennial appropriations. Appropriations of formula General Revenue–Dedicated Funds, which is statutory tuition, decreased by \$2.9 million.

Appropriations represent a decrease of **\$34.2 million** to annualize the debt service on the **Capital Construction Assistance Project bonds** authorized by the Eighty-fourth Legislature, 2015, for the general academic institutions.

**Nonformula support** decreased by **\$20.2 million** in General Revenue Funds and General Revenue–Dedicated Funds compared to 2020–21 biennial appropriations, including supplemental funding in fiscal year 2021.

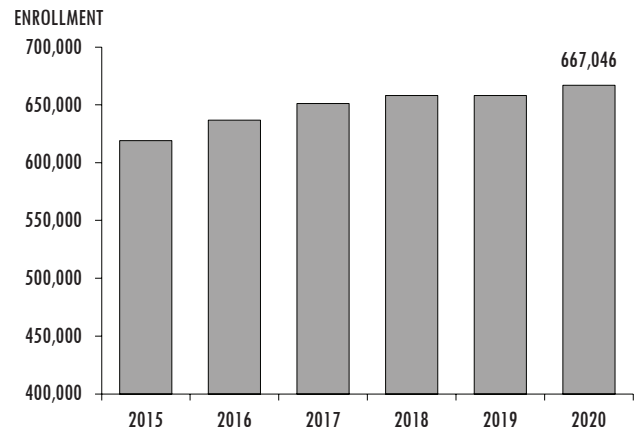
SOURCE: Legislative Budget Board.



**MAJOR FUNDING**

Appropriations for the 2022–23 biennium for the general academic institutions total \$7,821.9 million in All Funds, an increase of \$335.3 million from 2020–21 biennial funding levels. Appropriations of General Revenue Funds for the 2022–23 biennium total \$5,667.1 million, an increase of \$447.1 million compared to estimated and budgeted amounts in the 2020–21 biennium. General Revenue–Dedicated Funds include income from tuition and student fees and total \$2,145.5 million for the 2022–23 biennium, a \$46.3 million decrease compared to estimated and budgeted amounts in the 2020–21 biennium. Appropriations for the general academic institutions also include \$9.3 million in Other Funds primarily composed of tobacco settlement funds and license plate receipts. This represents a decrease of \$65.6 million in Other Funds due primarily to the expenditure of onetime funds for hurricane recovery in the 2020–21 biennium. Additionally, general academic institutions are provided state support outside of their bill patterns in other portions of the General Appropriations Act, such as appropriations of \$675.5 million for Higher Education Employees Group Insurance, \$2.5 billion for the Available University Fund for the Texas A&M and University of Texas systems, \$787.5 million for the Higher Education Fund, \$50.5 million for the Available National Research University Fund, and \$46.9 million for Support for Military and Veterans Exemptions.

**FIGURE 190  
GENERAL ACADEMIC INSTITUTIONS HEADCOUNT  
ACADEMIC YEARS 2015 TO 2020**

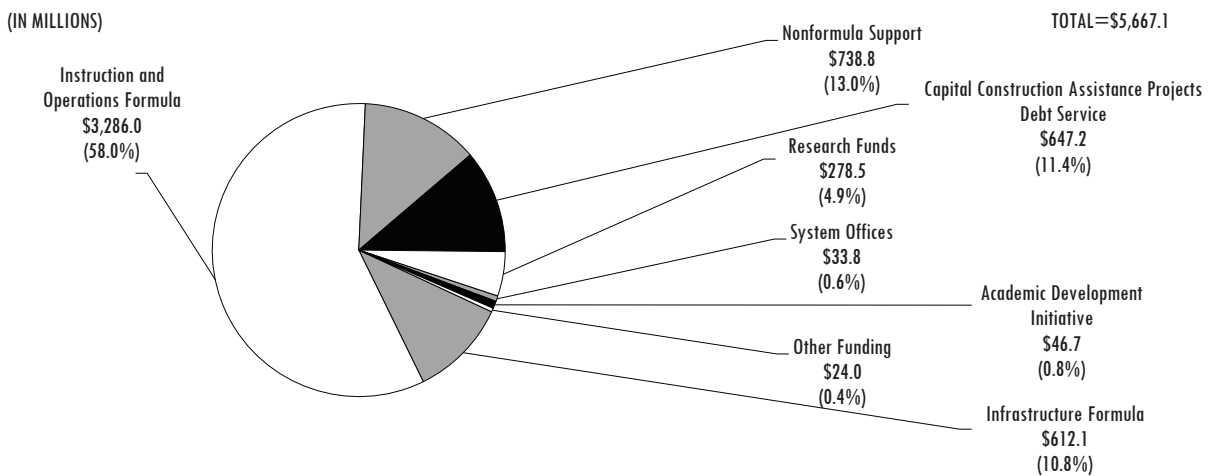


SOURCE: Texas Higher Education Coordinating Board.

**PROGRAMS**

The 37 general academic institutions and six university system offices carry out their responsibilities through five major program areas: (1) formula funding; (2) nonformula support funding; (3) other program areas; (4) Capital Construction Assistance Projects bond debt service; and (5) research funding. **Figure 190** shows the enrollment trend from academic years 2015 to 2020 at the general academic institutions. **Figure 191** shows the appropriations of General Revenue Funds by function for the general academic institutions and the six university

**FIGURE 191  
GENERAL ACADEMIC INSTITUTIONS GENERAL REVENUE FUNDS APPROPRIATIONS BY FUNCTION, 2022–23 BIENNIUM**



SOURCE: Legislative Budget Board.

**FIGURE 192**  
**ALL FUNDS APPROPRIATIONS FOR GENERAL ACADEMIC INSTITUTIONS AND SYSTEM OFFICES, 2022–23 BIENNIUM**

INSTITUTION	APPROPRIATIONS (IN MILLIONS)	INSTITUTION	APPROPRIATIONS (IN MILLIONS)
University of Texas at Arlington	\$405.4	Stephen F. Austin State University	\$107.8
University of Texas at Austin	\$849.0	Texas Southern University	\$144.4
University of Texas at Dallas	\$362.2	Texas Woman’s University	\$179.3
University of Texas at El Paso	\$248.9	<b>Subtotal, Independent Universities</b>	<b>\$431.5</b>
University of Texas Rio Grande Valley	\$303.8		
University of Texas of the Permian Basin	\$80.1	University of North Texas	\$386.1
University of Texas at San Antonio	\$352.2	University of North Texas at Dallas	\$70.8
University of Texas at Tyler	\$97.9	University of North Texas System Office	\$12.1
University of Texas System Office	\$23.5	<b>Subtotal, University of North Texas System</b>	<b>\$469.0</b>
<b>Subtotal, University of Texas System</b>	<b>\$2,723.0</b>		
		Texas Tech University	\$498.2
Texas A&M University	\$977.0	Angelo State University	\$79.9
Texas A&M University at Galveston	\$49.6	Midwestern State University	\$51.0
Prairie View A&M University	\$136.3	Texas Tech University System Office	\$2.6
Tarleton State University	\$131.5	<b>Subtotal, Texas Tech University System</b>	<b>\$631.7</b>
Texas A&M University – Central Texas	\$40.9		
Texas A&M University – Corpus Christi	\$138.5	Lamar University	\$165.8
Texas A&M University – Kingsville	\$100.3	Sam Houston State University	\$189.3
Texas A&M University – San Antonio	\$75.2	Texas State University	\$336.4
Texas A&M International University	\$94.1	Sul Ross State University	\$24.1
West Texas A&M University	\$95.6	Sul Ross State University Rio Grande College	\$11.5
Texas A&M University – Commerce	\$118.6	Texas State University System Office	\$2.6
Texas A&M University – Texarkana	\$55.0	<b>Subtotal, Texas State University System</b>	<b>\$729.7</b>
Texas A&M University System Office	\$1.5		
<b>Subtotal, Texas A&amp;M University System</b>	<b>\$2,014.1</b>	<b>Total</b>	<b>\$7,821.9</b>
University of Houston	\$516.7		
University of Houston – Clear Lake	\$89.4		
University of Houston – Downtown	\$95.2		
University of Houston – Victoria	\$44.5		
University of Houston System Office	\$77.3		
<b>Subtotal, University of Houston System</b>	<b>\$823.1</b>		

NOTE: Totals may not sum due to rounding.  
 SOURCE: Legislative Budget Board.

system offices. **Figure 192** shows the All Funds appropriation level for each of the general academic systems.

**FORMULA FUNDING**

General academic institutions receive funding through two main formulas and two supplemental formulas. The

Instruction and Operations (I&O) formula provides funding based on weighted semester credit hours taught at each institution, which provides for faculty salaries, administration, student services, and other support based on weighted semester credit hours. The Teaching Experience Supplement, which provides additional funding for

undergraduate semester credit hours taught by tenured and tenure-track faculty, is a supplemental formula for I&O. Semester credit hours are weighted according to an expenditure study produced by the Texas Higher Education Coordinating Board (THECB), which evaluates the cost of teaching each course at every level. As adopted by the Eightieth Legislature, 2007, Texas A&M Galveston's I&O is increased by 50.0 percent to support its mission as the state's marine and maritime institution. The Eighty-seventh Legislature, 2021, provides I&O formula funding at a rate of \$55.66 per weighted semester credit hour for the 2022–23 biennium for a total of \$4.4 billion in General Revenue Funds and General Revenue–Dedicated Funds, not including Board Authorized Tuition.

The Infrastructure formula provides funding for institutions based on a calculation of the space needed, or its predicted square feet, to achieve its educational purposes as evaluated by THECB. The Small Institution Supplement, a set-aside within the Infrastructure formula, provides supplemental funding to institutions with headcounts of fewer than 10,000 students. Institutions with fewer than 5,000 receive the full supplement of \$2.6 million; the supplement decreases proportionate to headcount until an institution reaches 10,000. The Infrastructure formula includes ship space for Texas A&M University at Galveston and provides Texas A&M Veterinary school with funds in accordance with the Health-related Institutions Infrastructure formula rate. The Eighty-seventh Legislature, 2021, provides Infrastructure formula funding at a rate of \$5.47 per predicted square foot for a total of \$823.4 million in General Revenue Funds and General Revenue–Dedicated Funds, not including Board Authorized Tuition. The Eighty-seventh Legislature, 2021, increased formula appropriations by \$300.0 million compared to 2020–21 biennial appropriations. **Figure 193** shows the General Revenue Funds formula funding amounts by institution.

**NONFORMULA SUPPORT**

General academic institutions also receive funding through nonformula support items which include Institutional Enhancement and direct appropriations to institutions for projects or programs that are identified specifically by the Legislature for support. Appropriations to the general academic institutions and six university system offices for nonformula support funding total \$766.0 million in All Funds for the 2022–23 biennium, a decrease of \$17.1 million compared to 2020–21 biennial appropriations. This comparison includes \$45.0 million in supplemental General Revenue Funds for Texas A&M Galveston in fiscal year

**FIGURE 193  
GENERAL REVENUE FUNDS FORMULA FUNDING FOR  
GENERAL ACADEMIC INSTITUTIONS, 2022–23 BIENNIUM**

INSTITUTION	FUNDING (IN MILLIONS)
University of Texas at Arlington	\$216.8
University of Texas at Austin	\$418.4
University of Texas at Dallas	\$189.3
University of Texas at El Paso	\$129.8
University of Texas Rio Grande Valley	\$156.2
University of Texas of the Permian Basin	\$22.9
University of Texas at San Antonio	\$190.7
University of Texas at Tyler	\$47.2
<b>Subtotal, University of Texas System</b>	<b>\$1,371.3</b>
Texas A&M University	\$550.3
Texas A&M University at Galveston	\$23.4
Prairie View A&M University	\$36.2
Tarleton State University	\$65.0
Texas A&M University – Central Texas	\$13.8
Texas A&M University – Corpus Christi	\$59.2
Texas A&M University – Kingsville	\$37.7
Texas A&M University – San Antonio	\$26.5
Texas A&M International University	\$39.9
West Texas A&M University	\$45.6
Texas A&M University – Commerce	\$71.6
Texas A&M University – Texarkana	\$12.1
<b>Subtotal, Texas A&amp;M University System</b>	<b>\$981.3</b>
University of Houston	\$285.5
University of Houston – Clear Lake	\$47.1
University of Houston – Downtown	\$48.7
University of Houston – Victoria	\$23.1
<b>Subtotal, University of Houston System</b>	<b>\$404.4</b>
Stephen F. Austin State University	\$57.6
Texas Southern University	\$43.3
Texas Woman's University	\$97.8
<b>Subtotal, Independent Institutions</b>	<b>\$198.7</b>
University of North Texas	\$209.8
University of North Texas at Dallas	\$24.1
<b>Subtotal, University of North Texas System</b>	<b>\$234.0</b>
Texas Tech University	\$274.8
Angelo State University	\$38.4
Midwestern State University	\$26.6
<b>Subtotal, Texas Tech University System</b>	<b>\$339.8</b>
Lamar University	\$81.3
Sam Houston State University	\$98.4
Texas State University	\$172.2
Sul Ross State University	\$10.9
Sul Ross State University Rio Grande College	\$5.8
<b>Subtotal, Texas State University System</b>	<b>\$368.7</b>
<b>Total, General Academic Institutions</b>	<b>\$3,898.1</b>

NOTE: Totals may not sum due to rounding.  
SOURCE: Legislative Budget Board.

2021, without which the nonformula support funding increased \$27.9 million compared to appropriations in the 2020–21 biennium.

Other program area funding for the general academic institutions includes staff group insurance, workers' compensation insurance, organized activities, academic development initiative, funding for the lease of facilities, system office operations, and Texas Public Education Grants. Institutions receive General Revenue–Dedicated Funds, consisting of other educational and general income, in staff group insurance amounts for staff whose salaries are not paid with General Revenue Funds. Pursuant to the Texas Education Code, Chapter 56, Subchapter C, and the Texas Education Code, Section 54.051, institutions must set aside a portion of tuition revenue for Texas Public Education Grants. Fifteen percent of each resident student's tuition and 3.0 percent of each nonresident student's tuition are set aside for financial aid to students at the institution.

Unemployment insurance and workers' compensation insurance is funded at institution-requested levels. System office operations funding is provided at four of the six system offices and totals \$10.9 million in General Revenue Funds. The University of Texas System Administration and the Texas A&M University System Administrative and General Offices are not provided direct appropriations for system office operations but receive support through the Available University Fund. Appropriations for the Academic Development Initiative are provided to Prairie View A&M University and Texas Southern University and total \$46.7 million for the 2022–23 biennium, a \$3.3 million decrease from the 2020–21 biennium due to the 5.0 percent reductions identified by each institution.

**CAPITAL CONSTRUCTION ASSISTANCE PROJECTS  
BOND DEBT SERVICE**

Senate Bill 52, Eighty-seventh Legislature, Third Called Session, 2021, changed the name of tuition revenue bonds to Capital Construction Assistance Projects (CCAP).

After CCAP bonds are authorized by the Legislature and approved by the Texas Bond Review Board, institutions can issue these bonds and make debt payments. Legislative practice has been to use General Revenue Funds to reimburse institutions for the costs related to this debt service. Appropriations for CCAP bond debt service for the general academic institutions, not including Texas State Technical Colleges and the Lamar State Colleges, total \$647.2 million for the 2022–23 biennium, a decrease of

\$34.2 million from the 2020–21 biennial amounts due to the general academic institutions and system offices paying off debt in full or refinancing for lower interest rates.

**RESEARCH FUNDING**

The Legislature provides direct support for research to the institutions through various funding formulas for (1) the Texas Research University Fund; (2) the Core Research Support Fund; and (3) the Comprehensive Research Fund. The Eighty-seventh Legislature, 2021, maintained funding to the three research funds from the 2020–21 biennium.

The Texas Research University Fund provides funding to eligible research universities to support faculty and ensure excellence in instruction and research. The Texas Education Code, Section 62.051, establishes that, to be eligible for the Texas Research University Fund, an institution must be defined as a research university in THECB's accountability system and have total annual research expenditures in an average annual amount of no less than \$450.0 million for three consecutive fiscal years. The University of Texas at Austin and Texas A&M University are eligible for the Texas Research University Fund. Total appropriations for the Texas Research University Fund are \$147.1 million in General Revenue Funds for the 2022–23 biennium, maintaining appropriation levels from the 2020–21 biennium.

The Legislature established the Core Research Support Fund to provide funding to promote increased research capacity at emerging research universities. The Texas Education Code, Section 62.132, provides that, to be eligible for the Core Research Support Fund, an institution must be defined as an emerging research university in accordance with THECB's accountability system. Funding for core research support is allocated based on a funding formula of eligible institutions' three-year average of total restricted research expenditures and total annual research expenditures. Total appropriations for the Core Research Support Fund provide \$117.1 million for the 2022–23 biennium to the state's eight emerging research universities, maintaining appropriation levels from the 2020–21 biennium.

The Comprehensive Research Fund provides funding to promote increased research capacity at eligible general academic teaching institutions. The Texas Education Code, Section 62.092, establishes that general academic institutions are eligible to receive funding through the Comprehensive Research Fund if they are not eligible to receive funding from either the Texas Research University Fund or the Core Research Support Fund. Funding is allocated based on a

three-year average of eligible institutions' total restricted research expenditures. Total appropriations for the Comprehensive Research Fund are \$14.3 million in General Revenue Funds for the 2022–23 biennium, maintaining appropriations levels from the 2020–21 biennium.

State support for research at general academic institutions is not limited solely to appropriations made directly in their bill patterns. See the **Higher Education Funds – National Research University Fund** and the **Texas Higher Education Coordinating Board** sections regarding the Texas Research Incentive Program and **Chapter 4 – General Government, Trusteed Programs within the Office of the Governor**, regarding the University Research Initiative.

### SIGNIFICANT LEGISLATION

**House Bill 981 – Texas Southern University.** The legislation authorizes THECB to study the feasibility of establishing a religious studies program that offers bachelor's, master's, and doctoral degrees at Texas Southern University.

**House Bill 1522 – Midwestern State University.** The legislation transfers governance of Midwestern State University to the Texas Tech University System.

**Senate Bill 884 – UT System.** The legislation reestablishes the Regional Campus at Laredo as a multi-institution center. Previously administered and funded by The UT Health Science Center at San Antonio, funding and authority were transferred to the UT System Administration, and component institutions may use the center for uses in line with its purpose.

**Senate Bill 1126 – Texas Woman's University.** The legislation establishes the Texas Woman's University System composed of Texas Woman's University and any institution assigned by law to the system's governance. The system must submit a report on the transfer of branch locations at Dallas and Houston to component institutions. Additionally, it must prepare an accreditation and facilities improvement strategy which does not require additional state funding. The Dallas and Houston branches may operate as general academic teaching institutions after certification by THECB and accreditation by the Southern Association of Colleges and Schools Commission on Colleges.

**Senate Bill 1295 – Comprehensive regional universities.** The legislation establishes a model for outcomes-based funding for degrees awarded to at-risk students at comprehensive regional universities as defined by THECB's

peer group definitions. Additionally, THECB must study and report on the equity and effectiveness of the funding methodology. Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, provides federal funding to implement the provisions of Senate Bill 1295.

**Senate Bill 1531 – Formula funding.** The legislation amends statute regarding limitations on the number of semester credit hours an undergraduate student may take in excess of degree requirements and prohibits an institution from receiving state formula funding for semester credit hours generated beyond the excess-hour threshold for an associate degree.

## HEALTH-RELATED INSTITUTIONS

**PURPOSE:** Health-related institutions’ (HRI) mission is to: (1) educate future health professionals and scientists; (2) engage in basic and applied research; (3) provide compassionate, scientifically based clinical care for the sick; and (4) develop public and community health programs.

**ESTABLISHED:** 1891–2019

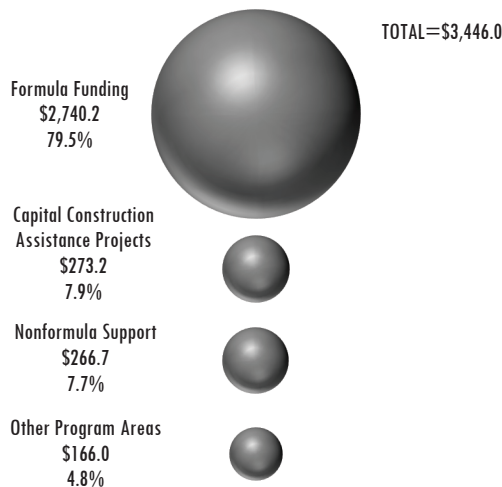
**AUTHORIZING STATUTE:** The Texas Education Code, Chapters 61, 63, 74, 79, 89, 105, 110, and 111

**GOVERNANCE:** Board of Regents of each respective university system, appointed by the Governor and confirmed by the Senate

**FIGURE 194**  
**HEALTH-RELATED INSTITUTIONS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$2,892.1	\$3,119.4	\$227.2	7.9%	2022 13,996.1 2023 13,996.1
General Revenue–Dedicated Funds	\$222.3	\$217.9	(\$4.5)	(2.0%)	
Federal Funds	\$160.0	\$0.0	(\$160.0)	(100.0%)	
Other Funds	\$170.0	\$108.8	(\$61.2)	(36.0%)	
<b>Total, All Methods of Finance</b>	<b>\$3,444.5</b>	<b>\$3,446.0</b>	<b>\$1.5</b>	<b>0.0%</b>	

### INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Funding includes appropriations to **13 institutions**, including funding for the University of Texas (UT) at Austin Dell Medical School.

Funding includes appropriations for **four new mission-specific formulas**, one at each of the following institutions: Texas A&M University System Health Science Center, University of North Texas Health Science Center at Fort Worth, Texas Tech University Health Sciences Center, and Texas Tech University Health Sciences Center at El Paso.

**Formula funding** increased by **\$163.0 million** in All Funds across **all HRI funding formulas**, which includes reallocated nonformula support funding for the four new mission-specific formulas.

Funding for **nonformula support** decreased by **\$57.9 million** in General Revenue Funds, which represents the reallocation of funding to the new mission-specific formulas offset by several increases in nonformula support among the HRIs.

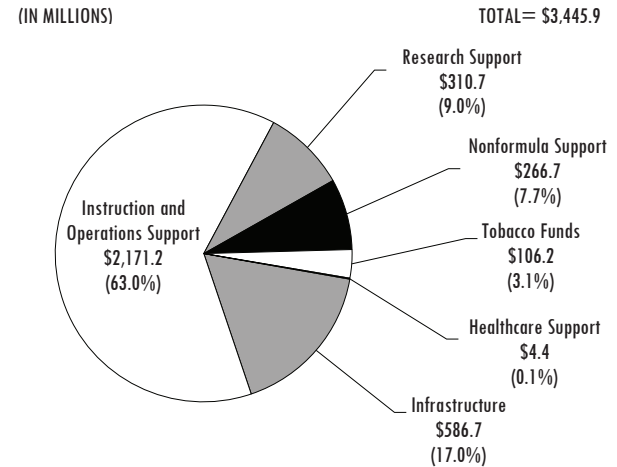
SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Appropriations for the 2022–23 biennium for the health-related institutions total \$3,446.0 million in All Funds, an increase of \$1.5 million from the 2020–21 biennial funding level. Appropriations of General Revenue Funds for the 2022–23 biennium total \$3,119.4 million, an increase of \$227.2 million from the 2020–21 biennial funding level. General Revenue Funds and General Revenue–Dedicated Funds appropriations total \$3,337.2 million, or 96.8 percent of total appropriations for the 2022–23 biennium. General Revenue–Dedicated Funds include income from tuition and student fees. Appropriations for health-related institutions also include \$108.8 million in Other Funds, which are primarily tobacco settlement endowment funds. **Figure 195** shows appropriations for the health-related institutions by goal, and **Figure 196** shows the distribution of funding among the institutions.

Patient income, which is revenue that is generated through the operation of a hospital, clinic, or dental clinic (inpatient and outpatient charges), is not appropriated to the health-related institutions. This revenue is shown in informational riders in the General Appropriations Act for the affected institutions, which continue to receive this funding.

**FIGURE 195**  
**HEALTH-RELATED INSTITUTIONS APPROPRIATIONS BY GOAL AND FROM SPECIAL PROVISIONS, ALL FUNDS 2022–23 BIENNIUM**



SOURCE: Legislative Budget Board.

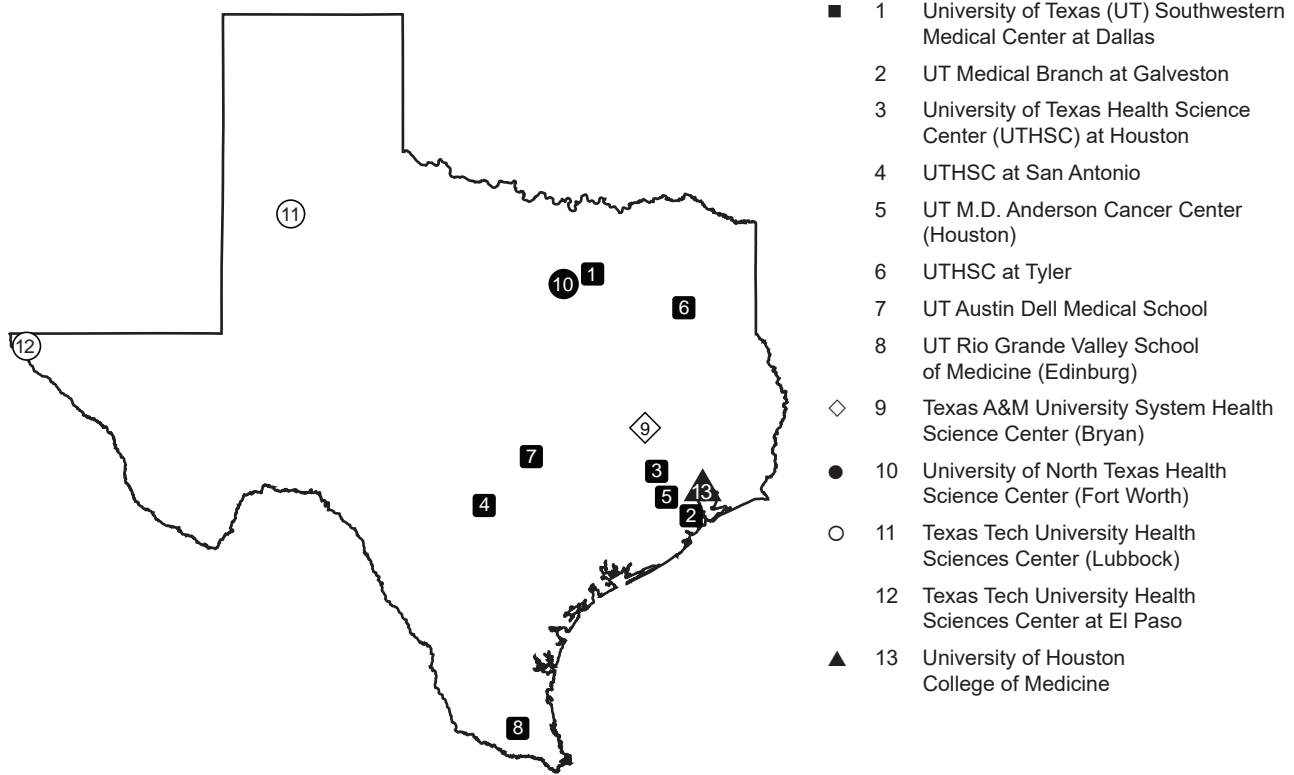
The Texas Higher Education Coordinating Board (THECB) contracts with Baylor College of Medicine (BCM), a private institution, to provide funding for its undergraduate and

**FIGURE 196**  
**COMPARISON OF HEALTH-RELATED INSTITUTIONS APPROPRIATIONS, 2020–21 AND 2022–23 BIENNIA**

(IN MILLIONS)	GENERAL REVENUE FUNDS			ALL FUNDS		
	2020–21 BIENNIUM	2022–23 BIENNIUM	PERCENTAGE CHANGE	2020–21 BIENNIUM	2022–23 BIENNIUM	PERCENTAGE CHANGE
UT Southwestern Medical Center	\$339.1	\$356.8	5.2%	\$366.7	\$383.1	4.5%
UT Medical Branch at Galveston	\$535.6	\$539.9	0.8%	\$570.0	\$571.9	0.3%
UT Health Science Center at Houston	\$376.6	\$387.0	2.8%	\$435.1	\$447.0	2.7%
UT Health Science Center at San Antonio	\$294.9	\$293.1	(0.6%)	\$346.6	\$348.3	0.5%
UT M.D. Anderson Cancer Center	\$404.2	\$410.9	1.7%	\$423.5	\$430.7	1.7%
UT Health Science Center at Tyler	\$97.2	\$100.0	2.8%	\$104.2	\$106.6	2.3%
UT Austin Dell Medical School	\$22.0	\$28.4	29.4%	\$24.6	\$33.5	36.2%
UT Rio Grande Valley School of Medicine	\$64.6	\$69.2	7.2%	\$68.9	\$73.8	7.1%
Texas A&M University System Health Science Center	\$290.9	\$304.9	4.8%	\$330.0	\$342.9	3.9%
University of North Texas Health Science Center at Fort Worth	\$186.5	\$191.9	2.9%	\$213.5	\$218.1	2.2%
Texas Tech University Health Sciences Center	\$296.4	\$275.4	(7.1%)	\$334.1	\$314.0	(6.0%)
Texas Tech University Health Sciences Center at El Paso	\$140.5	\$135.4	(3.6%)	\$152.1	\$146.9	(3.4%)
University of Houston College of Medicine	N/A	\$26.5	100.0%	N/A	\$29.2	100.0%
<b>Total</b>	<b>\$3,048.5</b>	<b>\$3,119.4</b>	<b>2.3%</b>	<b>\$3,369.3</b>	<b>\$3,446.0</b>	<b>2.3%</b>

NOTE: UT=the University of Texas System.  
SOURCE: Legislative Budget Board.

**FIGURE 197**  
**HEALTH-RELATED INSTITUTION LOCATIONS, OCTOBER 2021**



NOTE: Locations show the main campus for each health-related institution and do not include any regional campuses operated by the institutions.  
 SOURCE: Legislative Budget Board.

graduate medical students. BCM receives funding based on the average cost per undergraduate medical student enrolled at the University of Texas Medical Branch at Galveston and the University of Texas Southwestern Medical Center. Appropriations for BCM’s undergraduate medical education total \$79.4 million in General Revenue Funds for the 2022–23 biennium, an increase of \$6.4 million from 2020–21 biennial funding levels, due primarily to an increase of the per-student rate. Appropriations of General Revenue Funds for BCM’s graduate medical education total \$16.8 million for the 2022–23 biennium and are funded through the Graduate Medical Education formula.

Figure 197 shows the locations of the health-related institutions’ main campuses.

**PROGRAMS**

State funding for health-related institutions includes appropriations to 13 public institutions. Included in these appropriations is funding for the University of Texas (UT) at

Austin Dell Medical School, which receives appropriations in the bill pattern for UT at Austin. The University of Houston College of Medicine received its own bill pattern for the 2022–23 biennium. Health-related institutions receive state funding through four major funding areas: (1) formula funding; (2) nonformula support items; (3) Capital Construction Assistance Projects bond debt service; and (4) other program areas.

**FORMULA FUNDING**

Formula funding appropriations for the 2022–23 biennium total \$2,739.2 million in All Funds, an increase of \$162.5 million from 2020–21 biennial funding levels. This funding includes General Revenue Funds and General Revenue–Dedicated Funds, including board-authorized tuition, and does not include appropriations to BCM. Approximately 79.5 percent of All Funds appropriations to the institutions for the 2022–23 biennium is included in the formula funding strategies. The formulas are



intended to provide for an equitable allocation of funds among the institutions and to establish the level of funding to adequately support higher education. Health-related institutions receive funding through the following formulas:

- Instruction and Operations (I&O) Support formula;
- Infrastructure Support formula;
- Research Enhancement formula; and
- Graduate Medical Education formula.

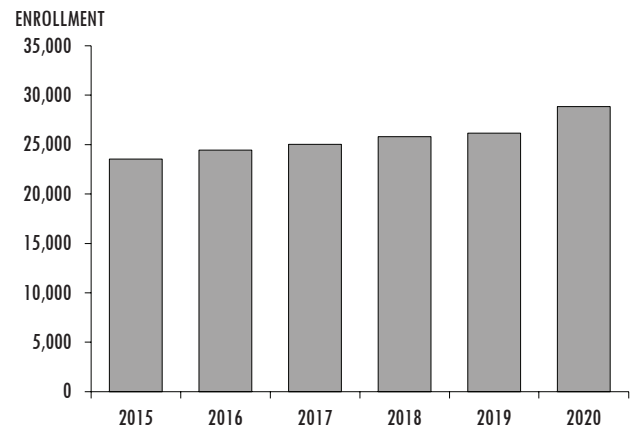
The method of financing for the I&O Support formula and for the Infrastructure Support formula is based on General Revenue Funds and General Revenue–Dedicated Funds (tuition and fees). The difference between the total formula allocation and an institution’s estimated tuition income is funded with General Revenue Funds. The other formulas are funded primarily with General Revenue Funds. For the 2022–23 biennium, appropriations of General Revenue Funds for the four main health-related institutions formulas totaled \$1,675.7 million, an increase of \$79.3 million from 2020–21 biennial funding levels.

#### INSTRUCTION AND OPERATIONS SUPPORT

The Instruction and Operations Support formula provides funding for the ongoing academic and administrative programs of the institutions. The Eighty-seventh Legislature, 2021, provides I&O formula funding at an annual rate of \$9,622 per weighted full-time student equivalent (FTSE) for the 2022–23 biennium. Appropriations for the I&O Support formula for the 2022–23 biennium total \$1,358.3 million, an increase of \$41.1 million from 2020–21 biennial funding levels. These appropriations are allocated to institutions per FTSE with a funding weight predicated on the student’s instructional program. General Revenue Funds for the 2022–23 biennium contribute 88.8 percent, or \$1,205.9 million of the formula; General Revenue–Dedicated Funds, primarily tuition and fees, contribute 11.2 percent.

In addition, instructional programs at remote locations and the main campus at the University of Texas Health Science Center at Tyler with enrollments of less than 200 students at individual campuses receive a Small Campus Supplement, which is additional funding to compensate for diseconomies of scale. The additional funding is on a sliding scale, and programs that have small enrollments receive more additional funding per student.

**FIGURE 198**  
**HEALTH-RELATED INSTITUTIONS FALL HEADCOUNT**  
**ACADEMIC YEARS 2015 TO 2020**



SOURCE: Texas Higher Education Coordinating Board.

**Figure 198** shows the total fall headcount at health-related institutions from academic years 2015 to 2020.

#### INFRASTRUCTURE SUPPORT

All health-related institutions are responsible for maintaining physical facilities and equipment, providing direct support of the institutional educational and research missions, and providing adequate utilities to operate the institutions’ facilities. The Infrastructure Support formula provides funding for the maintenance and operation, including utilities, of the institutions’ physical plants. The Eighty-seventh Legislature, 2021, provided an annual Infrastructure Support rate of \$6.11 per predicted square foot. Appropriations for the Infrastructure Support formula for the 2022–23 biennium total \$306.2 million, an increase of \$27.5 million from 2020–21 biennial funding levels. General Revenue Funds for the 2022–23 biennium contribute 93.6 percent, or \$286.5 million of the formula; General Revenue–Dedicated Funds, primarily statutory tuition and fees, contribute 6.4 percent.

Appropriations for the Infrastructure Support formula are distributed based on the predicted square feet at the institutions multiplied by a rate per square foot, which is estimated by THECB. The THECB Space Projection Model predicts the educational and general space (predicted square feet) required for a public institution to fulfill its missions of teaching, research, and public service. The space model prediction is based on the following factors: (1) the number and level of FTSEs; (2) the number of faculty; (3) single or multiple programs and campuses;

**FIGURE 199**  
**HEALTH-RELATED INSTITUTIONS EXPENDITURES FOR RESEARCH AND DEVELOPMENT, FISCAL YEARS 2017 TO 2020**

(IN MILLIONS)

INSTITUTION	2017	2018	2019	2020	PERCENTAGE CHANGE
UT Southwestern Medical Center	\$454.9	\$469.5	\$489.4	\$524.1	15.2%
UT Medical Branch at Galveston	\$149.8	\$149.3	\$147.7	\$152.6	1.9%
UT Health Science Center at Houston	\$232.5	\$240.0	\$252.1	\$253.1	8.9%
UT Health Science Center at San Antonio	\$164.5	\$173.5	\$180.7	\$195.2	18.7%
UT M.D. Anderson Cancer Center	\$839.4	\$858.0	\$895.8	\$967.7	15.3%
UT Health Science Center at Tyler	\$16.3	\$19.2	\$17.7	\$21.3	30.5%
UT Austin Dell Medical School	\$3.3	\$27.2	\$34.9	\$35.7	991.1%
UT Rio Grande Valley School of Medicine	\$12.6	\$10.8	\$19.4	\$22.6	80.0%
Texas A&M University System Health Science Center	\$103.4	\$104.1	\$101.9	\$290.8	181.3%
University of North Texas Health Science Center	\$44.4	\$45.4	\$46.8	\$45.2	1.7%
Texas Tech University Health Sciences Center	\$39.7	\$37.7	\$43.9	\$44.1	11.1%
Texas Tech University Health Sciences Center at El Paso	\$16.5	\$12.5	\$11.8	\$10.2	(37.8%)
University of Houston College of Medicine	N/A	N/A	\$0.0	\$0.2	100.0%
<b>Total</b>	<b>\$2,077.1</b>	<b>\$2,147.4</b>	<b>\$2,241.9</b>	<b>\$2,562.9</b>	<b>23.4%</b>

NOTES:

- (1) UT=the University of Texas System.
- (2) Totals may not sum due to rounding.
- (3) Percentage change shows fiscal year 2020 relative to fiscal year 2017.

SOURCE: Texas Higher Education Coordinating Board.

(4) actual clinical space; and (5) research and educational and general expenditures.

**RESEARCH ENHANCEMENT**

All health-related institutions conduct research within the institution and in collaboration with other entities such as community organizations, academic institutions, health professions organizations, and healthcare and managed-care systems. The Research Enhancement formula funds medical and clinical research at health-related institutions. The Eighty-seventh Legislature, 2021, provided an annual Research Enhancement rate of 1.17 percent of research expenditures, plus a base funding amount of \$1.4 million for each institution per year. Appropriations for the Research Enhancement formula for the 2022–23 biennium total \$96.5 million in General Revenue Funds, an increase of \$12.0 million from 2020–21 biennial funding levels.

Combined research and developmental expenditures at health-related institutions totaled \$2,562.9 million for fiscal year 2020. This amount represents an increase of 23.4 percent from fiscal year 2017. **Figure 199** shows the

expenditures for research and development at each institution for fiscal years 2017 to 2020.

**GRADUATE MEDICAL EDUCATION**

In addition to providing undergraduate medical education, the health-related institutions provide residency training, also called Graduate Medical Education (GME), in the form of residency positions and fellowships and continuing education for practicing physicians and medical scientists. The GME formula funds the health-related institutions’ residency programs. The Seventy-ninth Legislature, Regular Session, 2005, established the GME formula and directed the institutions to use these funds to increase the total number of residency slots in Texas and to support faculty costs relating to GME. The Eighty-seventh Legislature, 2021, provided an annual rate of \$5,970 per resident for the GME formula for the 2022–23 biennium. Appropriations for the GME formula for the 2022–23 biennium total \$86.7 million in General Revenue Funds, an increase of \$5.4 million from 2020–21 biennial funding levels. In addition to this funding, \$16.8 million in General Revenue Funds is appropriated to Baylor College of

Medicine for GME through the THECB bill pattern. In addition, health-related institutions are eligible to participate in GME expansion programs at THECB to assist in filling vacant residency positions and increasing the number of residency positions.

#### **MISSION SPECIFIC OPERATIONS FORMULAS**

In addition to the four formulas previously discussed, several health-related institutions receive appropriations to support Mission Specific Operations formulas and Performance Based Research Operations formulas. This funding totals \$891.4 million and includes the following formulas:

- UT M.D. Anderson Cancer Center Operations formula;
- UT Health Science Center at Tyler Chest Disease Operations formula;
- UT Medical Branch at Galveston Health System Operations formula;
- Texas Tech University Health Sciences Center at El Paso Border Health Operations formula;
- UT Southwestern Medical Center Performance Based Research Operations formula;
- UT Health Science Center at Houston Performance Based Research Operation formula;
- UT Health Science Center at San Antonio Performance Based Research Operations formula;
- Texas A&M University System Health Science Center Performance Based Research Operations formula;
- University of North Texas Health Science Center at Fort Worth Performance Based Research Operations formula; and
- Texas Tech University Health Sciences Center Performance Based Research Operations formula.

#### **UT M.D. ANDERSON CANCER CENTER OPERATIONS FORMULA**

The Eightieth Legislature, 2007, established the Cancer Center Operations formula for the University of Texas M.D. Anderson Cancer Center. The formula provides funding to support the institution's statutory mission to eliminate cancer through patient care, research, education, and prevention. The Eighty-seventh Legislature, 2021, provided an annual rate of \$1,657 per Texas cancer patient for the Cancer Center Operations formula for the 2022–23 biennium.

Appropriations for the Cancer Center Operations formula for the 2022–23 biennium maintain 2020–21 appropriations of \$280.8 million in General Revenue Funds. For the 2022–23 biennium, funding is based on the number of Texas cancer patients served during fiscal year 2020. Funding increases in the Cancer Center Operations formula may not exceed the average growth in funding for health-related institutions in the Instruction and Operations Support formula for the biennium.

#### **UT HEALTH SCIENCE CENTER AT TYLER CHEST DISEASE CENTER OPERATIONS FORMULA**

The Eighty-first Legislature, Regular Session, 2009, established the Chest Disease Center Operations formula for the University of Texas Health Science Center (UTHSC) at Tyler. The formula provides funding to support the institution's statutory mission to conduct research, develop diagnostic and treatment techniques, provide training and teaching programs, and provide diagnosis and treatment of inpatients and outpatients with respiratory diseases. The Eighty-seventh Legislature, 2021, provided an annual rate of \$166 per Texas chest disease patient for the Chest Disease Center Operations formula for the 2022–23 biennium. Appropriations for the Chest Disease Center Operations formula for the 2022–23 biennium maintain 2020–21 appropriations of \$62.2 million in General Revenue Funds. For the 2022–23 biennium, funding is based on the number of chest disease patients served during fiscal year 2020. Funding increases in the Chest Disease Center Operations formula may not exceed the average growth in funding for health-related institutions in the Instruction and Operations Support formula for the biennium.

#### **UT MEDICAL BRANCH AT GALVESTON HEALTH SYSTEM OPERATIONS FORMULA AND HOSPITAL FUNDING**

The Eighty-sixth Legislature, 2019, established the Health System Operations formula for the University of Texas Medical Branch (UTMB) at Galveston. The formula provides funding to support UTMB hospitals and clinics that provide services to patients and serve as the training ground for medical, nursing, and health profession students. Appropriations for the Health System Operations formula for the 2022–23 biennium total \$306.8 million in All Funds, an increase of \$0.7 million from 2020–21 biennial funding levels. The Eighty-seventh Legislature, 2021, provided a rate of \$178.0 per Texas patient encounter in trauma, primary care, diabetes, heart, psychiatry, and telemedicine. For the 2022–23 biennium, funding is based

on the number of patient encounters during fiscal year 2020. Funding increases in the Health System Operations formula may not exceed the average growth in funding for health-related institutions in the Instruction and Operations Support formula for the biennium.

**TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER  
AT EL PASO BORDER HEALTH OPERATIONS FORMULA**

The Eighty-seventh Legislature, 2021, established the Border Health Operation formula for the Texas Tech University Health Sciences Center at El Paso. The formula provides funding to support border and rural communities through healthcare programs and operations. Appropriations for the Border Health Operations formula for the 2022–23 biennium total \$27.5 million in General Revenue Funds. This funding was reallocated from the Paul L. Foster School of Medicine strategy appropriated during the 2020–21 biennium within the institution’s bill pattern. The Eighty-seventh Legislature, 2021, provided a rate of \$22.92 per patient encounters for Texas residents. For the 2022–23 biennium, funding is based on the number of patient encounters during fiscal year 2020. Funding increases in the Border Health Operations formula may not exceed the average growth in funding for health-related institutions in the I&O Support formula for the biennium.

**PERFORMANCE-BASED RESEARCH  
OPERATIONS FORMULAS**

The Eighty-sixth Legislature, 2019, established Performance Based Research Operations formulas for three health-related institutions: the UT Southwestern Medical Center, the UTHSC at Houston, and the UTHSC at San Antonio. In addition to these three formulas, the Eighty-seventh Legislature, 2021, established three new Performance Based Research Operations formulas for Texas A&M University System Health Sciences Center, the University of North Texas Health Science Center at Fort Worth, and the Texas Tech University Health Sciences Center. The formulas provide funding to enhance research capacity at the institutions, assist each institution in leveraging external research grants and gifts, and support the expansion of the institutions’ research operations. They are similar in structure and design, but each institution’s formula distributes funds based on different rates and drivers. Funding is allocated to each formula through two mechanisms. The first mechanism is a Base Match set at a specified rate of certain research expenditures during the three-year base period preceding the biennium. The second mechanism is a Tiered Match, which

provides funding in three tiers that increase on a sliding scale based on the increase in average annual research expenditures of the same type. All six Performance Based Research Operations formula increases are limited to 5.0 percent of the institution’s total General Revenue Funds appropriations during the prior biennium, excluding Capital Construction Assistance Projects bond debt service.

The Performance Based Research Operations formulas for UT Southwestern Medical Center, UTHSC at Houston, and UTHSC at San Antonio provide a dynamic Base Match rate that is adjusted each biennium in proportion to the increase or decrease of average annual research expenditures from the prior biennium’s three-year base average. While the Base Match rates changed for the purposes of determining the formulas, the Legislature maintained 2020–21 General Revenue Funds appropriations for these three formulas for the 2022–23 biennium. The Base Match rates for the three new Performance Based Research Operations for Texas A&M University System Health Sciences Center, University of North Texas Health Science Center at Fort Worth, and Texas Tech University Health Sciences Center are determined based on available General Revenue Funds and do not use the dynamic Base Match calculation.

Appropriations for the Performance Based Research Operations formula for UT Southwestern Medical Center for the 2022–23 biennium total \$114.8 million in General Revenue Funds with a Base Match rate of 12.63 percent of total research expenditures, excluding state appropriations.

Appropriations for the Performance Based Research Operations formula for UTHSC at Houston for the 2022–23 biennium total \$25.5 million in General Revenue Funds with a Base Match rate of 6.17 percent of total research expenditures, excluding state appropriations.

Appropriations for the Performance Based Research Operations formula for UTHSC at San Antonio for the 2022–23 biennium total \$25.4 million in General Revenue Funds with a Base Match rate of 8.23 percent of total research expenditures, excluding state appropriations.

Appropriations for the Performance Based Research Operations formula for the Texas A&M University System Health Science Center for the 2022–23 biennium total \$24.5 million in General Revenue Funds with a Base Match rate of 5.18 percent of total research expenditures, excluding state appropriations and amounts associated with the Biomedical Advanced Research and Development Authority. The funding appropriated to establish this formula was

reallocated from nonformula support items funded during the 2020–21 biennium.

Appropriations for the Performance Based Research Operations formula for the University of North Texas Health Science Center at Fort Worth for the 2022–23 biennium total \$20.7 million in General Revenue Funds with a Base Match rate of 28.58 percent of total research expenditures, excluding state appropriations. The funding appropriated to establish this formula was reallocated from nonformula support items funded during the 2020–21 biennium.

Appropriations for the Performance Based Research Operations formula for the Texas Tech University Health Sciences Center for the 2022–23 biennium total \$3.2 million in General Revenue Funds with a Base Match rate of 5.39 percent of total research expenditures from federal and private sources. The funding appropriated to establish this formula was reallocated from nonformula support items funded during the 2020–21 biennium.

#### **NONFORMULA SUPPORT**

In addition to formula funding, health-related institutions also receive funding through nonformula support items. Nonformula support items are direct appropriations to institutions for projects that the Legislature specifically identified for support. This support includes funding for projects in the areas of public service, research, residency programs, instructions and operations, and healthcare. Nonformula support appropriations for the 2022–23 biennium total \$265.0 million in General Revenue Funds, a decrease of \$57.9 million from 2020–21 biennial funding levels. This decrease of nonformula support item funding is attributable primarily to the reallocation of \$75.9 million of nonformula support item funding to the new mission-specific formulas, a decrease of \$14.8 million in 5.0 percent budget reductions, and the transfer of \$2.4 million for the Multi-Institution Center – Laredo from UTHSC at San Antonio to UT System Administration. This decrease was offset by an increase of: \$10.0 million to support the School of Public Health at UT Southwestern Medical Center, \$3.4 million for Sexual Assault Support Nursing Examiners within the Forensic Nursing program at Texas A&M University System Health Science Center, \$1.7 million for the Permian Basin Rural General Surgical Residency program at Texas Tech University Health Sciences Center, and \$20.0 million for the University of Houston College of Medicine reallocated from the University of Houston general academic institution's bill pattern.

#### **CAPITAL CONSTRUCTION ASSISTANCE PROJECTS BOND DEBT SERVICE AND OTHER DEBT SERVICE**

Appropriations for Capital Construction Assistance Projects (CCAP) bond debt service reimburse institutions for debt service that is associated with CCAP bonds. Appropriations for the 2022–23 biennium for CCAP bond debt service to health-related institutions total \$273.2 million in General Revenue Funds for existing projects. CCAP bonds must be authorized in statute, and legislative practice has been to use General Revenue Funds to reimburse institutions for the costs related to this debt service.

In addition to CCAP bond debt service, health-related institutions receive other appropriations for debt service when the Legislature finds, pursuant to the Texas Constitution, Article 7, Section 18(i), a demonstrated need for the support of new facilities at institutions of higher education. Appropriations of non-CCAP bond debt service to health-related institutions for the 2022–23 biennium include \$7.2 million to Texas A&M University Health Science Center to support facilities in Round Rock.

#### **CORRECTIONAL MANAGED HEALTHCARE FUNDING**

UTMB and the Texas Tech University Health Sciences Center also provide healthcare for all Texas Department of Criminal Justice (TDCJ) state-managed inmates. Senate Bill 2, Eighty-second Legislature, First Called Session, 2011, authorized TDCJ to contract directly with governmental providers to provide healthcare services, including psychiatric support, pharmacy services, acquired immunodeficiency syndrome (AIDS) care, and hospice care. The institutions provide the healthcare services for incarcerated offenders at the TDCJ facilities and at the TDCJ hospital, which is located on the UTMB campus. The Texas Juvenile Justice Department contracts with UTMB to provide medical care for youths in its care.

#### **OTHER PROGRAM AREAS**

##### **TOBACCO FUNDS**

Health-related institutions receive appropriations from interest earnings from the Permanent Health Fund for Higher Education and permanent endowments established in statute for each individual institution. **Figure 200** shows the tobacco settlement endowments and related appropriations for the institutions. Estimated appropriations from the endowments to the institutions total \$106.2 million.

**FIGURE 200  
TOBACCO SETTLEMENT ENDOWMENTS AND PERMANENT FUNDS FOR HEALTH-RELATED INSTITUTIONS  
2022–23 BIENNIUM**

<b>(IN MILLIONS)</b>		
<b>INSTITUTION/FUND</b>	<b>ENDOWMENT</b>	<b>APPROPRIATION</b>
UT Southwestern Medical Center	\$50.0	\$6.6
UT Medical Branch at Galveston	\$25.0	\$3.2
UT Health Science Center at Houston	\$25.0	\$3.3
UT Health Science Center at San Antonio	\$200.0	\$26.2
UT M.D. Anderson Cancer Center	\$100.0	\$13.1
UT Health Science Center at Tyler	\$25.0	\$3.3
Texas A&M University System Health Science Center	\$25.0	\$2.8
University of North Texas Health Science Center at Fort Worth	\$25.0	\$2.3
Texas Tech University Health Sciences Center	\$25.0	\$3.1
Texas Tech University Health Sciences Center El Paso	\$25.0	\$2.8
<b>Subtotal, Individual Endowments</b>	<b>\$525.0</b>	<b>\$64.7</b>
Permanent Health Fund for Higher Education	\$350.0	\$39.7
<b>Total Endowments/Funds</b>	<b>\$875.0</b>	<b>\$106.2</b>

NOTE: UT=the University of Texas System.  
SOURCE: Legislative Budget Board.

The Permanent Health Fund for Higher Education is a \$350.0 million endowment from which distributions are appropriated for programs that benefit medical research, health education, or treatment programs. Appropriations from this fund are distributed to 15 public health-related institutions, including Baylor College of Medicine and Sam Houston State University College of Osteopathic Medicine. Institutions receive distributions from the Permanent Health Fund of 70.0 percent in equal amounts to each institution, and 30.0 percent based on each institution’s proportional expenditures on instruction, research, and charity care.

Individual health-related institutions’ endowments total \$525.0 million, from which the estimated distributions are appropriated to the institutions based on the original endowment amount. Funds from the individual endowments may be used only for research and other programs that benefit public health that are conducted by the institution for which the fund was established.

**DENTAL CLINIC OPERATIONS**

Three institutions receive appropriations to support dental clinic operations: UTHSC at San Antonio, UTHSC at Houston, and Texas A&M University Health Science Center.

Appropriations for the 2022–23 biennium total \$4.4 million in General Revenue Funds.

**SIGNIFICANT LEGISLATION**

**House Bill 1325 – Expanding participation in the Joint Admission Medical Program.** The legislation expands participation in the Joint Admission Medical Program to the University of Houston College of Medicine and the Sam Houston State University College of Osteopathic Medicine.

**House Bill 2509 – Expanding the Graduate Medical Education Program.** The legislation expands the Graduate Medical Education Program to include the program area of podiatric medicine.

**Senate Bill 1780 – Establishing the Texas Epidemic Public Health Institute (TEPHI) at UTHSC at Houston.** The legislation establishes TEPHI at UTHSC at Houston to plan and develop a public health reserve network that can prepare Texas for and respond to pandemics or other public health crises. The network includes state and local public health agencies, healthcare organizations, and university partners throughout the state.

## PUBLIC COMMUNITY/JUNIOR COLLEGES

**PURPOSE:** The mission of the community colleges is to teach and award certifications or degrees in arts and sciences, vocational programs, and technical courses. Their mission also includes providing continuing education, developmental education consistent with open admission policies, counseling and guidance programs, workforce development training, and adult literacy and basic skills programs.

**ESTABLISHED:** Various

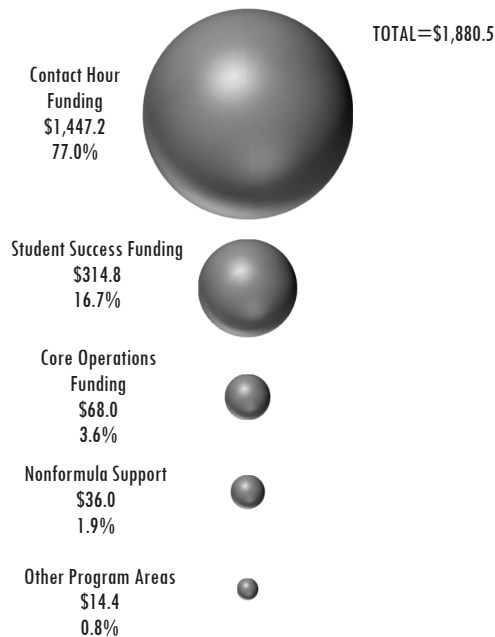
**AUTHORIZING STATUTE:** The Texas Education Code, Chapters 130–131

**GOVERNANCE:** Community college board of trustees, elected by local community

**FIGURE 201  
PUBLIC COMMUNITY/JUNIOR COLLEGES BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS	
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE		
General Revenue Funds	\$1,867.7	\$1,880.5	\$12.8	0.7%	2022 N/A 2023 N/A	
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A		
Federal Funds	\$0.0	\$0.0	\$0.0	N/A		
Other Funds	\$0.0	\$0.0	\$0.0	N/A		
<b>Total, All Methods of Finance</b>	<b>\$1,867.7</b>	<b>\$1,880.5</b>	<b>\$12.8</b>	<b>0.7%</b>		

### INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Core operations** are funded at **\$1.4 million** per institution in the community college outcomes-based formula.

Contact hours are funded at an average annual rate of **\$2.84 per contact hour**. Success points are funded at a rate of **\$247.91 per success point**.

The **total number of contact hours** for the 2022–23 biennium **decreased by 9.5 percent** from the 2020–21 biennium.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Appropriations for the 2022–23 biennium for Texas public community colleges total \$1,880.5 million in General Revenue Funds, an increase of \$12.8 million, or 0.7 percent, from the 2020–21 biennium. Formula funding is appropriated for an institution’s core operations and contact hours and through an outcomes-based model; 2022–23 appropriations total \$1,833.5 million, a decrease of \$1.7 million, or 0.1 percent, from the 2020–21 biennium due to the elimination of hold-harmless funding that ensured no institution experienced a formula decrease of more than 5.0 percent from 2018–19 biennial levels.

Among total appropriations, 97.3 percent are allocated through formula funding. Of the remainder of the appropriations, \$36.0 million provides for nonformula support items at 12 institutions, \$3.4 million provides for Bachelor of Applied Technology programs at four institutions, and \$11.0 million provides for a need-based supplement instituted in the 2022–23 biennium divided equally across 11 institutions that the Legislature determined to have the greatest financial need.

**Figure 202** shows 2020–21 and 2022–23 biennial appropriations for the community colleges.

**FIGURE 202  
PUBLIC COMMUNITY/JUNIOR COLLEGE GENERAL REVENUE FUND APPROPRIATIONS, 2020–21 AND 2022–23 BIENNIA**

(IN MILLIONS)

PUBLIC COMMUNITY OR JUNIOR COLLEGE	2020–21	2022–23	DIFFERENCE	PERCENTAGE CHANGE
Alamo Community College	\$133.7	\$135.6	\$1.9	1.4%
Alvin Community College	\$15.5	\$15.2	(\$0.4)	(2.4%)
Amarillo College	\$29.7	\$27.6	(\$2.1)	(7.2%)
Angelina College	\$17.1	\$17.5	\$0.4	2.5%
Austin Community College	\$95.3	\$103.6	\$8.2	8.7%
Blinn College	\$49.1	\$50.7	\$1.6	3.3%
Brazosport College	\$12.0	\$11.4	(\$0.6)	(4.7%)
Central Texas College	\$32.8	\$29.1	(\$3.7)	(11.3%)
Cisco Junior College	\$10.7	\$11.7	\$1.0	9.1%
Clarendon College	\$5.9	\$6.8	\$0.9	15.4%
Coastal Bend College	\$13.6	\$13.4	(\$0.2)	(1.6%)
College of the Mainland	\$13.1	\$13.3	\$0.2	1.8%
Collin County Community College	\$79.7	\$89.2	\$9.6	12.0%
Dallas County Community College	\$192.8	\$186.1	(\$6.8)	(3.5%)
Del Mar College	\$33.0	\$34.7	\$1.8	5.3%
El Paso Community College	\$64.2	\$63.1	(\$1.1)	(1.7%)
Frank Phillips College	\$5.1	\$5.8	\$0.7	13.7%
Galveston College	\$9.2	\$9.6	\$0.4	4.1%
Grayson County College	\$14.2	\$14.1	(\$0.1)	(0.8%)
Hill College	\$14.2	\$13.7	(\$0.5)	(3.6%)
Houston Community College	\$137.2	\$127.2	(\$10.0)	(7.3%)
Howard College	\$20.3	\$19.0	(\$1.3)	(6.6%)
Kilgore College	\$18.5	\$19.3	\$0.8	4.5%
Laredo Community College	\$23.0	\$22.8	(\$0.2)	(0.9%)
Lee College	\$20.8	\$21.0	\$0.2	0.8%
Lone Star College System	\$157.3	\$165.9	\$8.6	5.5%
McLennan Community College	\$25.0	\$23.8	(\$1.2)	(4.7%)
Midland College	\$16.1	\$14.8	(\$1.3)	(8.1%)



**FIGURE 202 (CONTINUED)**  
**PUBLIC COMMUNITY/JUNIOR COLLEGE GENERAL REVENUE FUND APPROPRIATIONS, 2020–21 AND 2022–23 BIENNIA**

(IN MILLIONS)				
PUBLIC COMMUNITY OR JUNIOR COLLEGE	2020–21	2022–23	DIFFERENCE	PERCENTAGE CHANGE
Navarro College	\$26.7	\$25.4	(\$1.3)	(5.0%)
North Central Texas College	\$23.4	\$27.8	\$4.4	18.7%
Northeast Texas Community College	\$9.9	\$10.8	\$0.9	8.6%
Odessa College	\$19.3	\$19.7	\$0.4	2.1%
Panola College	\$9.7	\$10.6	\$0.9	9.3%
Paris Junior College	\$15.9	\$14.7	(\$1.1)	(7.2%)
Ranger College	\$7.7	\$8.5	\$0.7	9.4%
San Jacinto College	\$84.2	\$82.6	(\$1.5)	(1.8%)
South Plains College	\$26.8	\$27.1	\$0.3	1.2%
South Texas College	\$84.3	\$80.2	(\$4.2)	(4.9%)
Southwest Texas Junior College	\$16.9	\$18.4	\$1.5	8.7%
Tarrant County College	\$113.7	\$117.9	\$4.2	3.7%
Temple College	\$14.0	\$14.1	\$0.1	0.1%
Texarkana College	\$15.0	\$14.0	(\$1.0)	(6.6%)
Texas Southmost College	\$14.1	\$18.7	\$4.6	32.4%
Trinity Valley Community College	\$23.9	\$20.5	(\$3.3)	(13.9%)
Tyler Junior College	\$36.2	\$38.2	\$2.0	5.6%
Vernon College	\$10.7	\$11.5	\$0.8	7.6%
Victoria College	\$11.1	\$10.2	(\$0.9)	(7.8%)
Weatherford College	\$18.1	\$17.9	(\$0.3)	(1.5%)
Western Texas College	\$7.9	\$7.5	(\$0.3)	(4.2%)
Wharton County Junior College	\$19.3	\$18.6	(\$0.7)	(3.5%)
<b>Total</b>	<b>\$1,867.7</b>	<b>\$1,880.5</b>	<b>\$12.8</b>	<b>0.7%</b>

SOURCE: Legislative Budget Board.

In addition to state appropriations, community colleges are supported by local tax revenue, federal funding, and tuition and fees. **Figure 203** shows the proportion of these revenue sources for fiscal year 2020.

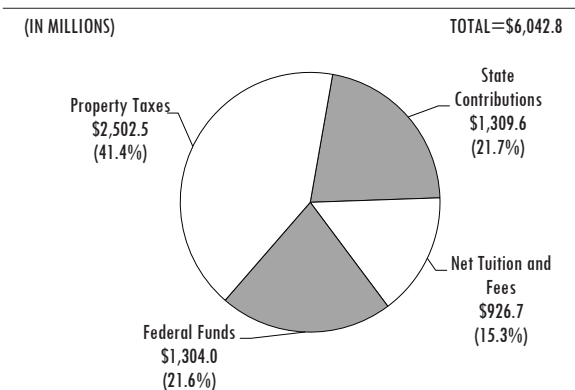
**PROGRAMS**

Community colleges receive state funding through three major funding areas: (1) formula funding, including core operations, student success, and contact hours; (2) nonformula support funding; and (3) other funding.

**FORMULA FUNDING – CORE OPERATIONS, STUDENT SUCCESS, CONTACT HOURS**

Beginning in the 2014–15 biennium, the Legislature has appropriated funds through three formulas: core operations,

**FIGURE 203**  
**COMMUNITY COLLEGES MAJOR ANNUAL OPERATING REVENUE SOURCES**  
**FISCAL YEAR 2020**



SOURCE: Texas Higher Education Coordinating Board.

**FIGURE 204  
COMMUNITY COLLEGES STUDENT SUCCESS POINTS METRICS FOR INSTRUCTION AND ADMINISTRATION FUNDING IN THE  
OUTCOMES-BASED MODEL, 2022–23 BIENNIUM**

METRIC	POINTS
Student successfully completes developmental education in mathematics.	1.0
Student successfully completes developmental education in reading.	0.5
Student successfully completes developmental education in writing.	0.5
Student completes first college-level mathematics course with a letter grade of C or better.	1.0
Student completes first college-level course designated as reading intensive with a grade of C or better.	0.5
Student completes first college-level course designated as writing intensive with a grade of C or better.	0.5
Student successfully completes first 15.0 semester credit hours at the institution.	1.0
Student successfully completes first 30.0 semester credit hours at the institution.	1.5
Student transfers to a general academic institution after successfully completing at least 15.0 semester credit hours at the community college, or a student in a structured co-enrollment program successfully completes at least 15.0 semester credit hours at the community college.	3.0
Student receives from the institution an associate’s degree, bachelor’s degree, or certificate recognized for this purpose by the Texas Higher Education Coordinating Board in a field other than a critical field, such as science, technology, engineering, and mathematics (STEM), or allied health.	1.2
Student receives from the institution an associate’s degree, bachelor’s degree, or certificate recognized for this purpose by the Texas Higher Education Coordinating Board in a critical field, including STEM fields or allied health.	3.25

SOURCE: Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium, Article III, Public Community/Junior Colleges, Rider 18.

a student success outcomes-based model, and contact hours. Each community college district receives \$1.4 million in General Revenue Funds for core operations for a total of \$68.0 million to help cover basic operating costs regardless of the geographic location or size of the institution. Core operations funding replaced a small institution supplement previously included in formula funding. Student success formula funding totals \$314.8 million, an increase of \$86.5 million from the 2020–21 biennium. Contact hour formula funding totals \$1,447.2 million, a decrease of \$86.5 million from the 2020–21 biennium.

An institution’s success formula appropriations are based on a three-year average of total instances within the formula’s metrics, weighted by an associated point value. **Figure 204** shows the metrics and their associated values. Appropriations for the 2022–23 biennium are based on the average of fiscal years 2018, 2019, and 2020. The Eighty-seventh Legislature, 2021, made the following revisions to the success formula metrics:

- (1) points awarded per student completion of their first 30.0 semester credit hours at the institution was increased from 1.0 to 1.5;

- (2) points awarded per student transfer to a general academic institution after successfully completing at least 15.0 semester credit hours at the institution or student transfer to a general academic institution after completion of 15.0 semester credit hours in a co-enrollment program at the institution was increased from 2.0 to 3.0 points;
- (3) points awarded per degree or certificate awarded by the institution in a critical field (defined as a degree in science, technology, engineering, math, or allied health) was increased from 2.25 to 3.25 points; and
- (4) points awarded per degree or certificate awarded by the institution in a noncritical field was decreased from 2.0 to 1.2.

**Figure 205** shows the total number of contact hours generated since the base academic year 2008–09. As shown, total base year contact hours have decreased by 18.4 percent since the base academic year 2012–13. **Figure 206** shows the change in enrollment at community colleges since fall 2008 in relation to the change in enrollment during the same period experienced by general academic

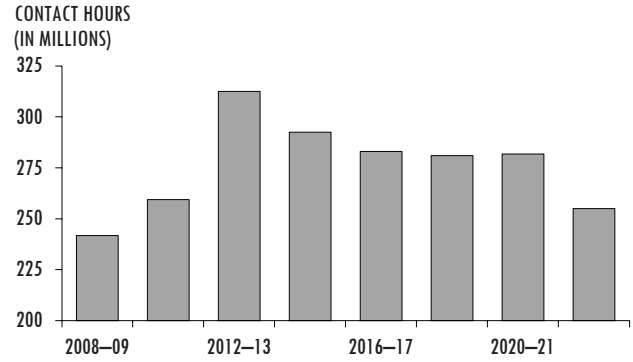
institutions. Enrollment at community colleges decreased by 2.9 percent through fall 2020. As shown in the figures, contact hours decreased by 9.8 percent from the 2012–13 to 2020–21 biennia, and enrollment increased by 7.7 percent from fall 2008 to fall 2019. The decrease in community college enrollment associated with the recent economic downturn is unusual, because student enrollment at community colleges tends to be countercyclical to the direction of the economy: When the economy is in a downturn, student enrollment at community colleges typically increases; when the economy improves, student enrollment typically decreases.

**NONFORMULA SUPPORT**

In addition to formula funding, community colleges receive appropriations for nonformula support, which totals \$36.0 million for the 2022–23 biennium, an increase of \$3.6 million from the 2020–21 biennium. This increase is due to the following funding changes:

- \$5.0 million was appropriated to North Central Texas for the Texas Medal of Honor Museum;
- appropriations across all nonformula support items decreased by \$1.3 million due to the statewide five percent funding reduction; and
- appropriations to Blinn College for the Star of the Republic Museum decreased by \$0.1 million due to its transfer to the Texas Historical Commission.

**FIGURE 205  
COMMUNITY COLLEGES TOTAL CONTACT HOURS  
BASE ACADEMIC YEARS FOR FISCAL BIENNIA 2008–09  
TO 2022–23**

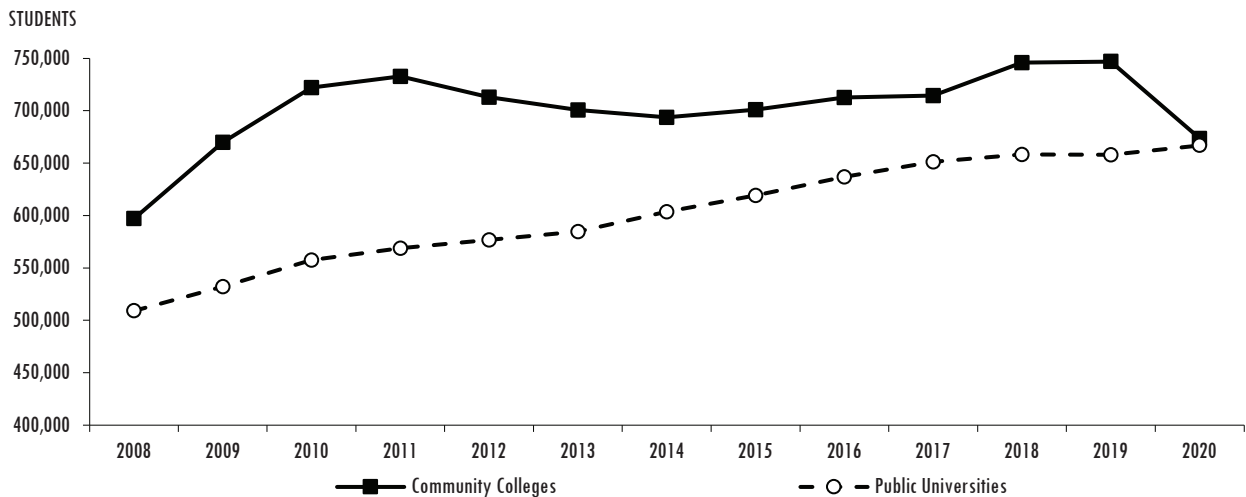


SOURCE: Texas Higher Education Coordinating Board.

**OTHER FUNDING**

Other funding to community colleges includes appropriations for Bachelor of Applied Technology (BAT) programs and supplemental appropriations for institutions the Legislature determined to have the greatest financial need. Appropriations for BAT programs offered at Brazosport College, Midland College, South Texas College, and Tyler Junior College total \$3.4 million for the 2022–23 biennium, an increase of \$0.2 million from the 2020–21 biennium. BAT programs are funded at the same General Revenue Funds Instruction and Operations rate used for the general academic institutions. Need-based supplemental appropriations total \$11.0 million.

**FIGURE 206  
PUBLIC INSTITUTIONS OF HIGHER EDUCATION STUDENT ENROLLMENT, FISCAL YEARS 2008 TO 2020**



SOURCE: Texas Higher Education Coordinating Board.

**SIGNIFICANT LEGISLATION**

**Senate Bill 959** – The legislation requires the Texas Higher Education Coordinating Board to incorporate the consideration of continuing workforce education courses offered by community colleges for which credit toward a certificate or associate’s degree is not awarded for inclusion in the success point formula.

**Senate Bill 1230** – The legislation establishes the Texas Commission on Community College Finance to make recommendations for consideration by the Eighty-eighth Legislature, 2023, regarding the state’s funding formulas and funding levels for community colleges.

## LAMAR STATE COLLEGES

**PURPOSE:** The three Lamar State Colleges are lower-division institutions of higher education within the Texas State University System. Lamar State College – Port Arthur and Lamar State College – Orange offer freshman and sophomore courses, and the primary focus of the Lamar Institute of Technology is to teach technical and vocational courses.

**ESTABLISHED:** 1995

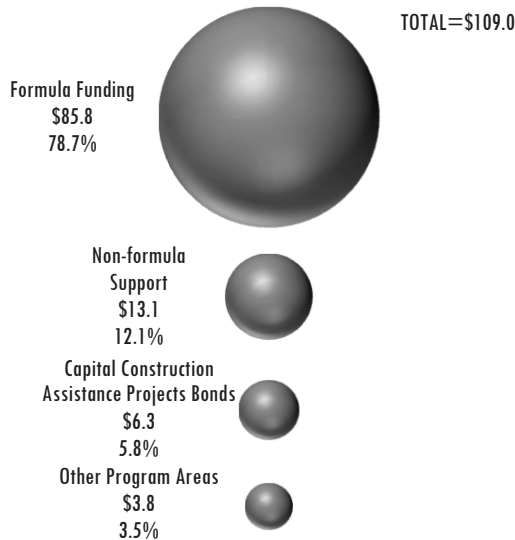
**AUTHORIZING STATUTE:** The Texas Education Code, §§96.703 and 96.704

**GOVERNANCE:** Texas State University System—nine-member board of regents appointed by the Governor with the advice and consent of the Senate

**FIGURE 207  
LAMAR STATE COLLEGES BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME- EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$75.3	\$92.1	\$16.7	22.2%	<table border="1"> <tr> <td>2022</td> <td>687.4</td> </tr> <tr> <td>2023</td> <td>687.4</td> </tr> </table>	2022	687.4	2023	687.4
2022	687.4								
2023	687.4								
General Revenue–Dedicated Funds	\$13.6	\$17.0	\$3.4	25.0%					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$7.8	\$0.0	(\$7.8)	(100.0%)					
<b>Total, All Methods of Finance</b>	<b>\$96.7</b>	<b>\$109.0</b>	<b>\$12.3</b>	<b>12.7%</b>					

### INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Formula funding** increased by **\$17.4 million** in All Funds and increases the contact hour rate for the Instruction and Administration Formula to \$7.20 from \$5.12 during the 2020–21 biennium.

**Nonformula support** increased by **\$0.4 million** from the 2020–21 biennium.

Appropriations represent a decrease of **\$0.6 million** to annualize the debt service on **Capital Construction Assistance Projects bonds** authorized by the Eighty-fourth Legislature, 2015.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

The Lamar State Colleges receive appropriations providing state support, but unlike community colleges, they do not have local taxing authority. Funding for the Lamar State Colleges for the 2022–23 biennium includes an increase of \$16.7 million in General Revenue Funds compared to biennial estimated and budgeted amounts in 2020–21 primarily due to an increase in formula funding, and an increase of \$3.4 million in statutory tuition compared to biennial estimated and budgeted amounts in 2020–21. The Legislature increased funding for the Lamar State Colleges Instruction and Administration formula by \$16.6 million in General Revenue Funds to establish per contact hour funding parity with the community colleges in the Southeast Texas region.

**PROGRAMS**

The Lamar State Colleges include Lamar Institute of Technology, Lamar State College – Orange, and Lamar State College – Port Arthur. The three institutions carry out their responsibilities through four major program areas: (1) formula funding; (2) nonformula support funding; (3) other program areas; and (4) Capital Construction Assistance Projects bond debt service. **Figure 208** shows the All Funds appropriation level for each of the Lamar State Colleges.

**FORMULA FUNDING**

The largest source of funding for the Lamar State Colleges is formula funding, which is allocated across institutions through the Instruction and Administration (I&A) formula based on contact hours, and the Infrastructure formula based on predicted square feet. The Eighty-seventh Legislature, 2021, provided I&A formula funding at a rate of \$7.20 per contact hour for the 2022–23 biennium, which is an increase from the 2020–21 biennial rate of \$5.12. Appropriations for the I&A formula total \$58.5 million in General Revenue

Funds across the three institutions, and the I&A strategy is augmented by \$11.8 million from tuition and fee revenues.

In addition to I&A formula amounts, the Lamar State Colleges, like the Texas State Technical Colleges, are included in the general academic institutions’ Infrastructure formula and receive a small institution supplement (SIS) consistent with the methodology used for the general academic institutions. The maximum amount received through the SIS for the biennium for schools with a headcount of less than 5,000 students is \$2.6 million. The Eighty-seventh Legislature, 2021, provided funding to support a rate of \$5.47 per predicted square foot, maintaining the rate from the 2020–21 biennium. Appropriations to the Lamar State Colleges from the Infrastructure formula total \$15.4 million in All Funds for the 2022–23 biennium.

**NONFORMULA SUPPORT**

Nonformula support includes Institutional Enhancement and direct appropriations to institutions for projects that are identified specifically by the Legislature for support. Appropriations to the Lamar State Colleges for nonformula support funding total \$13.1 million for the 2022–23 biennium, which is an increase of \$0.4 million from 2020–21 biennial amounts.

**OTHER PROGRAMS**

Other program funding for the Lamar State Colleges includes funding for staff group insurance and Texas Public Education Grants. Institutions are appropriated General Revenue–Dedicated Funds, which consist of other educational and general income, in staff group insurance appropriation amounts for staff whose salaries are not paid with General Revenue Funds. Pursuant to the Texas Education Code, Chapter 56, Subchapter C, and the Texas Education Code, Section 54.051, institutions must set aside a portion of tuition revenue for Texas Public Education Grants. Fifteen

**FIGURE 208  
LAMAR STATE COLLEGES ALL FUNDS APPROPRIATIONS, 2020–21 AND 2022–23 BIENNIA**

(IN MILLIONS)

INSTITUTION	2020–21 BIENNium	2022–23 BIENNium	DIFFERENCE	PERCENTAGE CHANGE
Lamar Institute of Technology	\$34.9	\$45.9	\$12.3	36.5%
Lamar State College – Orange	\$25.4	\$30.4	\$5.4	21.7%
Lamar State College – Port Arthur	\$36.8	\$32.8	\$2.3	7.6%
<b>Total</b>	<b>\$97.1</b>	<b>\$109.0</b>	<b>\$20.0</b>	<b>22.4%</b>

NOTE: Totals may not sum due to rounding.  
SOURCE: Legislative Budget Board.

percent of each resident student's tuition and 3.0 percent of each nonresident student's tuition are set aside for financial aid to students at the institution. Appropriations for other program funding at the Lamar State Colleges total \$3.8 million for the 2022–23 biennium.

**CAPITAL CONSTRUCTION ASSISTANCE PROJECTS  
BOND DEBT SERVICE**

Senate Bill 52, Eighty-seventh Legislature, Third Called Session, 2021, changed the name of tuition revenue bonds to Capital Construction Assistance Projects (CCAP).

After CCAP bonds are authorized by the Legislature and approved by the Texas Bond Review Board, institutions can issue these bonds and make debt payments. Legislative practice has been to use General Revenue Funds to reimburse institutions for the costs related to this debt service. Appropriations for CCAP bond debt service for the Lamar State Colleges total \$6.3 million for the 2022–23 biennium, a decrease of \$0.6 million from the 2020–21 biennial amounts due to the institutions paying off debt in full or refinancing for lower interest rates.

## TEXAS STATE TECHNICAL COLLEGES

**PURPOSE:** Two-year institutions of higher education that offer courses of study in technical–vocational education offering occupationally oriented programs with supporting academic course work, emphasizing technical and vocational areas for certificates or associate degrees.

**ESTABLISHED:** 1965–2015

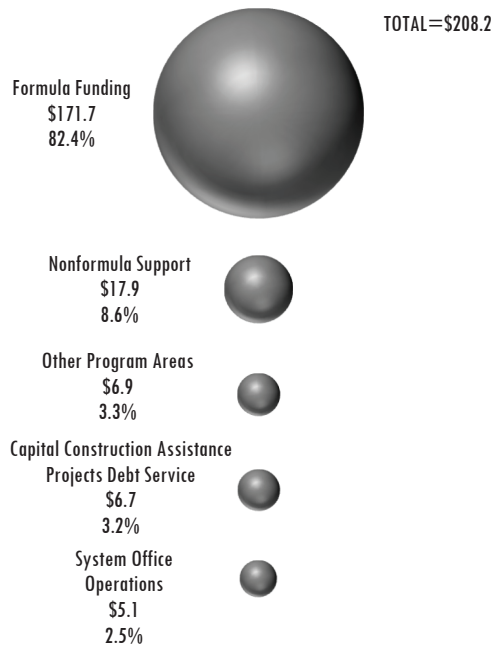
**AUTHORIZING STATUTE:** The Texas Education Code, §135.01

**GOVERNANCE:** Texas State Technical College System—nine-member board of regents appointed by the Governor with the advice and consent of the Senate

**FIGURE 209**  
**TEXAS STATE TECHNICAL COLLEGES BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$215.6	\$195.9	(\$19.6)	(9.1%)	<b>2022</b> 1,545.7  <b>2023</b> 1,545.7
General Revenue–Dedicated Funds	\$9.0	\$12.3	\$3.3	36.6%	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$0.0	\$0.0	\$0.0	N/A	
<b>Total, All Methods of Finance</b>	<b>\$224.6</b>	<b>\$208.2</b>	<b>(\$16.3)</b>	<b>(7.3%)</b>	

### INSTITUTION PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Instruction and Administration formula funding** is based on 35.9 percent of the returned value to the state generated by the Texas State Technical Colleges, an increase of \$7.6 million in General Revenue Funds from the 2020–21 biennium.

**Infrastructure Formula funding** increased by \$3.1 million in All Funds from the 2020–21 biennium, maintaining the rate per predicted square foot of \$5.47 from the previous biennium.

Appropriations represent a decrease of **\$0.7 million** to annualize debt service on the **Capital Construction Assistance Projects bonds** authorized by the Eighty-fourth Legislature, 2015.

SOURCE: Legislative Budget Board.



**MAJOR FUNDING**

Institutions within the Texas State Technical College System (TSTC) receive appropriations providing state support, but, unlike community colleges, they do not have local taxing authority. Appropriations for TSTCs for the 2022–23 biennium include an \$8.8 million increase in General Revenue Funds offset by a \$29.6 million decrease due to the expenditure of onetime General Revenue Funds in the 2020–21 biennium, and an increase of approximately \$3.3 million in General Revenue–Dedicated Funds consisting of statutory tuition. TSTC System Administration is located in Waco with campuses in Harlingen, Marshall, Waco, Fort Bend County, North Texas, and West Texas, shown in **Figure 210**.

**PROGRAMS**

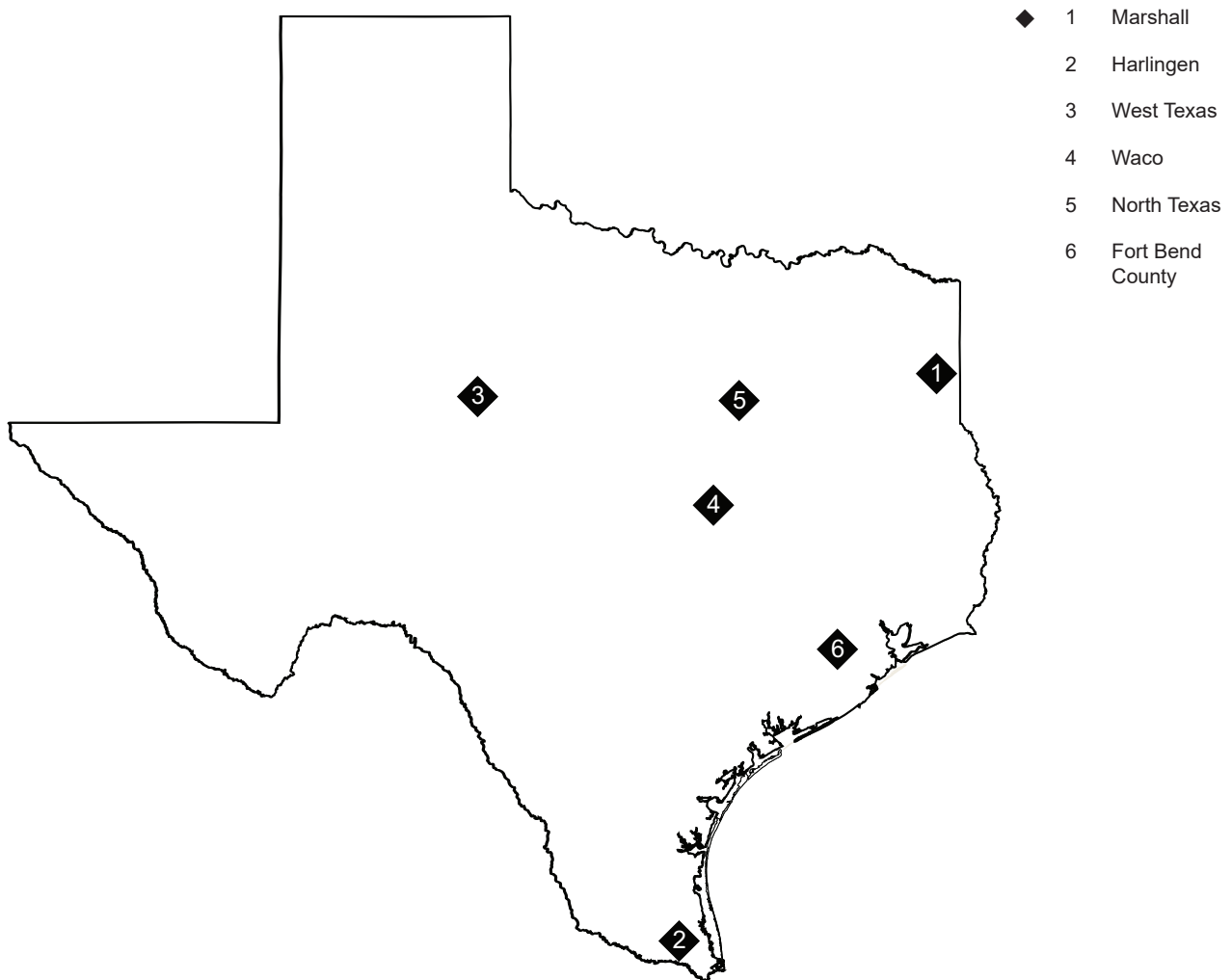
TSTC System Administration and its component institutions carry out their responsibilities through five major program areas: (1) formula funding; (2) nonformula support funding; (3) other program areas; (4) system office operations; and (5) Capital Construction Assistance Projects bond debt service.

**Figure 211** shows the All Funds appropriation level for each of the colleges and the system administration.

**FORMULA FUNDING**

TSTC’s primary source of funding comes from two funding formulas, the Instruction and Administration (I&A) and the Infrastructure formulas. Before the 2014–15 biennium, the institutions received funding through the (I&A) formula

**FIGURE 210  
TEXAS STATE TECHNICAL COLLEGES, FISCAL YEAR 2021**



SOURCE: Legislative Budget Board.

**FIGURE 211**  
**TEXAS STATE TECHNICAL COLLEGES (TSTC) ALL FUNDS APPROPRIATIONS, 2020–21 AND 2022–23 BIENNIA**

(IN MILLIONS)

INSTITUTION	2020–21	2022–23	DIFFERENCE	PERCENTAGE CHANGE
TSTC System Administration	\$36.4	\$6.1	(\$30.4)	(83.4%)
TSTC – Harlingen	\$58.8	\$60.9	\$2.0	3.5%
TSTC – Marshall	\$13.9	\$15.2	\$1.3	9.2%
TSTC – Waco	\$74.8	\$73.9	(\$0.8)	(1.1%)
TSTC – Fort Bend County	\$12.5	\$12.9	\$0.4	2.9%
TSTC – North Texas	\$7.8	\$7.8	\$0.0	0.3%
TSTC – West Texas	\$24.7	\$31.3	\$6.6	26.9%
<b>Total</b>	<b>\$229.0</b>	<b>\$208.2</b>	<b>(\$20.8)</b>	<b>(9.1%)</b>

NOTE: Totals may not sum due to rounding.  
 SOURCE: Legislative Budget Board.

based on contact hours similar to the Lamar State Colleges. The Eighty-third Legislature, Regular Session, 2013, modified the calculation of the I&A formula to base it on the returned value to the state generated by the TSTCs. The Eighty-seventh Legislature, 2021, continues providing formula support through the returned value methodology. The formula uses average student wages upon completion of nine semester credit hours or more at a TSTC institution compared to minimum wage to determine the additional estimated direct and indirect values that an individual generates for the state after attending a TSTC institution. For the 2022–23 biennium, the cohort of students that completed at least nine semester credit hours at TSTC during fiscal years 2014 and 2015 generated approximately \$389.5 million in returned value to the state. TSTCs are appropriated 35.9 percent of this amount, or \$139.8 million in General Revenue Funds, for I&A funding for the 2022–23 biennium. The Eighty-seventh Legislature, 2021, increased General Revenue for the returned value formula by \$7.6 million; however, due to the increase in the value returned by the institution, the returned value formula rate decreased 0.1 percent to 35.9 percent from 36.0 percent during the 2020–21 biennium. I&A is augmented by \$10.7 million in appropriated tuition and fee revenues.

In addition to I&A formula amounts, TSTCs and Lamar State Colleges are included in the general academic institutions’ Infrastructure formula and receive the small institution supplement, consistent with the methodology used for the general academic institutions. An exception is that the maximum amount received for the biennium for

TSTC schools with a headcount of less than 5,000 students is \$1.3 million. The Infrastructure formula is based on predicted square feet, and the Eighty-sixth Legislature, 2021, provided a rate of \$5.47 per predicted square foot. Appropriations to TSTCs from the Infrastructure formula total \$23.8 million in All Funds for the 2022–23 biennium.

**NONFORMULA SUPPORT**

Nonformula support includes Institutional Enhancement and direct appropriations to institutions or the system office for projects that are identified specifically by the Legislature for support. Total appropriations to the TSTC system office and its component institutions for nonformula support funding total \$17.9 million in General Revenue Funds for the 2022–23 biennium, a decrease of \$1.2 million from the 2020–21 biennium.

**OTHER PROGRAMS**

Other program funding for TSTCs includes staff group insurance, workers’ compensation insurance, dual credit, and Texas Public Education Grants. Institutions receive General Revenue–Dedicated Funds, which consist of other educational and general income, in staff group insurance appropriation amounts for staff whose salaries are not paid with General Revenue Funds. Pursuant to the Texas Education Code, Chapter 56, Subchapter C, and the Texas Education Code, Section 54.051, institutions must set aside a portion of tuition revenue for Texas Public Education Grants. Fifteen percent of each resident student’s tuition and 3.0 percent of each nonresident student’s tuition are set aside for financial aid to students at the institution.

Appropriations for other program funding total \$3.6 million for the 2022–23 biennium.

**SYSTEM OFFICE OPERATIONS**

TSTC institutions are governed by the TSTC System Administration headquartered in Waco. A nine-member board of regents and the TSTC chancellor direct the system. The system office provides coordination and planning across the institutions and processing for financial and reporting requirement duties for all institutions within the TSTC System. Appropriations for system office operations for the 2022–23 biennium total \$6.1 million in General Revenue Funds.

**CAPITAL CONSTRUCTION ASSISTANCE PROJECTS****BOND DEBT SERVICE**

Senate Bill 52, Eighty-seventh Legislature, Third Called Session, 2021, changed the name of tuition revenue bonds to Capital Construction Assistance Projects (CCAP).

After CCAP bonds are authorized by the Legislature and approved by the Texas Bond Review Board, institutions can issue these bonds and make debt payments. Legislative practice has been to use General Revenue Funds to reimburse institutions for the costs related to this debt service. Appropriations for CCAP bond debt service for TSTC total \$6.7 million for the 2022–23 biennium, a decrease of \$0.8 million due to the paying down and refinancing of outstanding debt.

## HIGHER EDUCATION FUNDS

**PURPOSE:** The Available University Fund and Higher Education Fund provide eligible higher education institutions funding support for acquiring land, constructing and equipping buildings, major repair of buildings, acquisition of capital equipment, and other permanent improvements.

The Support for Military and Veterans Exemptions provide public institutions of higher education financial assistance to offset the waived tuition and fee revenue from the federal Hazlewood Legacy Program.

The Available National Research University Fund provides a dedicated, independent, and equitable source of funding to enable emerging research universities in Texas to achieve national prominence as major research universities.

**ESTABLISHED:** Available University Fund (AUF) – 1876; Higher Education Fund (HEF) – 1984; Available National Research University Fund (ANRUF) – 2009; Support for Military Veterans Exemptions (MVE) – 2013

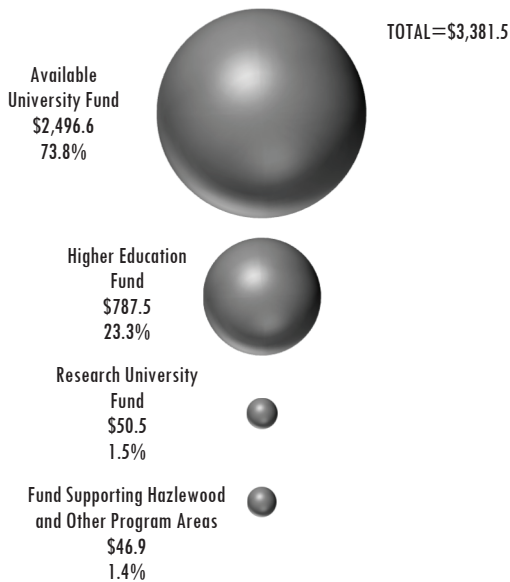
**AUTHORIZING STATUTE:** AUF – the Texas Constitution, Article VII, §18; HEF – the Texas Constitution, Article VII, §17; ANRUF – the Texas Constitution, Article VII, §20; MVE – the Texas Education Code, §54.3411

**GOVERNANCE:** The Texas Legislature governs these funds; eligible institutions' boards of regents oversee AUF-funded projects, HEF-funded projects, and ANRUF-funded activities; the Texas Treasury Safekeeping Trust Company administers the MVE

**FIGURE 212  
HIGHER EDUCATION FUNDS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS	
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE		
General Revenue Funds	\$816.0	\$816.0	\$0.0	0.0%	2022 0.0 2023 0.0	
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A		
Federal Funds	\$0.0	\$0.0	\$0.0	N/A		
Other Funds	\$2,635.5	\$2,565.5	(\$70.0)	(2.7%)		
<b>Total, All Methods of Finance</b>	<b>\$3,451.5</b>	<b>\$3,381.5</b>	<b>(\$70.0)</b>	<b>(2.0%)</b>		

### FUND PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

During fiscal year 2021, the University of Texas at Arlington became eligible to receive ANRUF distributions. The University of Texas at San Antonio may be eligible for ANRUF funding beginning in fiscal year 2021.

**Annual appropriation amounts for HEF-eligible institutions of higher education are included in the Texas Education Code, Chapter 62, Subchapter B.**

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Funding for the Higher Education Fund (HEF), Available University Fund (AUF), Available National Research Fund (ANRUF), and the Support for Military and Veterans Exemptions for the 2022–23 biennium totals \$3.4 billion in All Funds, which is a decrease of \$70.0 million from the 2020–21 biennium. Funding for the HEF for the 2022–23 biennium totals \$787.5 million in General Revenue Funds, which is equal to 2020–21 biennial appropriations. These amounts are allocated according to Senate Bill 709, Eighty-sixth Legislature, 2019, which reallocated the annual appropriation among the eligible institutions for fiscal years 2021 to 2025 based on recommendations from the Texas Higher Education Coordinating Board (THECB).

Funding for the AUF for the 2022–23 biennium totals an estimated \$2.5 billion in Other Funds, which is a decrease of \$71.9 million.

Funding for the ANRUF for the 2022–23 biennium totals an estimated \$50.5 million in Other Funds, which is an increase of \$41.1 million due to anticipated growth of the ANRUF as projected by the Texas Treasury Safekeeping Trust Company (TTSTC).

Funding for the Support for Military and Veterans Exemptions for the 2022–23 biennium totals an estimated \$46.9 million in All Funds, which includes an increase of \$0.8 million in Other Funds due to anticipated growth of the Permanent Fund Supporting Military Veterans Exemptions as projected by TTSTC.

### HIGHER EDUCATION FUND

HEF was established by constitutional amendment as a counterpart to the Permanent University Fund (PUF) for Texas public institutions of higher education that are constitutionally ineligible to receive proceeds from the PUF.

The Texas Constitution requires the Legislature to review the HEF's formula allocation every 10 years, and the Legislature may, once every five years, adjust the amount and the allocation of the constitutional appropriation for the subsequent five years. An adjustment requires a two-thirds majority vote, and the reallocation may not impair any debt service obligation established by the issuance of HEF bonds or notes.

From fiscal years 1986 to 1995, the Legislature appropriated \$100.0 million each year to the HEF for distribution to eligible institutions based on a formula allocation

incorporating three elements: (1) space deficit, (2) facilities condition, and (3) institutional complexity. The Seventy-third Legislature, 1993, increased the formula allocation to \$175.0 million each year starting in fiscal year 1996. The Seventy-sixth Legislature, 1999, adopted a new allocation for the \$175.0 million distributed to universities as a result of THECB's recommendations.

The Seventy-ninth Legislature, Regular Session, 2005, maintained the \$175.0 million annual appropriation level for fiscal years 2006 and 2007 and increased the annual appropriation level to \$262.5 million starting in fiscal year 2008. The Legislature also reallocated the appropriations of General Revenue Funds starting in fiscal year 2006 based on THECB's recommendations.

The Eighty-first Legislature, Regular Session, 2009, maintained the \$262.5 million annual HEF appropriation level for fiscal years 2010 and 2011. To ensure the equitable distribution of the HEF appropriation, the legislation corrected the distribution of fiscal years 2009 and 2010 HEF allocations by using revised formula calculations. Based on these revised calculations, the Legislature also factored in updated data elements to generate the annual HEF allocation for the five-year period starting in fiscal year 2011. The Legislature also authorized the University of North Texas at Dallas to participate in the HEF allocation upon the institution's operation as a general academic teaching institution.

The Eighty-fourth Legislature, 2015, maintained the \$262.5 million annual HEF appropriation level for fiscal year 2016, and increased the annual allocation amount to \$393.8 million for fiscal years 2017 to 2020. Beginning in fiscal year 2016, the University of North Texas at Dallas and Texas Tech University Health Sciences Center at El Paso were added for the HEF distribution, and the University of Texas – Pan American and the University of Texas at Brownsville were discontinued from the distribution.

Senate Bill 709, Eighty-sixth Legislature, 2019, reallocated the \$393.8 million for fiscal years 2021 to 2025 among the eligible institutions based on THECB's recommendations. **Figure 213** shows each eligible institution's annual allocations for fiscal years 2011 to 2025.

### AVAILABLE UNIVERSITY FUND

The PUF is a public endowment contributing to the support of most institutions in the University of Texas (UT) System

**FIGURE 213  
ANNUAL HIGHER EDUCATION FUND ALLOCATIONS TO ELIGIBLE INSTITUTIONS, FISCAL YEARS 2011 TO 2025**

(IN MILLIONS)

INSTITUTION (BY SYSTEM)	2011 TO 2015	2016	2017 TO 2020	2021 TO 2025
Lamar University	\$8.3	\$9.4	\$14.1	\$13.1
Lamar Institute of Technology	\$2.3	\$1.7	\$2.6	\$2.6
Lamar State College – Orange	\$1.2	\$1.1	\$1.7	\$1.5
Lamar State College – Port Arthur	\$1.2	\$1.4	\$2.2	\$2.2
Sul Ross State University	\$1.6	\$1.4	\$2.1	\$2.2
Sul Ross State University Rio Grande College	\$0.4	\$0.3	\$0.4	\$0.5
Sam Houston State University	\$11.9	\$11.6	\$17.3	\$18.2
Texas State University	\$21.9	\$24.8	\$37.2	\$37.6
<b>Subtotal, Texas State University System</b>	<b>\$49.0</b>	<b>\$51.7</b>	<b>\$77.6</b>	<b>\$77.9</b>
Texas A&M University – Corpus Christi	\$87.1	\$7.4	\$11.1	\$11.5
Texas A&M International University	\$3.8	\$4.5	\$6.7	\$7.5
Texas A&M University – Kingsville	\$5.0	\$6.0	\$9.0	\$8.9
Texas A&M University – Commerce	\$5.2	\$7.2	\$10.8	\$11.1
Texas A&M University – Texarkana	\$1.3	\$1.2	\$1.8	\$2.1
West Texas A&M University	\$4.7	\$4.8	\$7.2	\$7.4
<b>Subtotal, Texas A&amp;M University System</b>	<b>\$27.1</b>	<b>\$31.1</b>	<b>\$46.6</b>	<b>\$48.4</b>
University of Houston	\$35.9	\$35.2	\$52.8	\$54.5
University of Houston – Clear Lake	\$5.2	\$5.3	\$8.0	\$7.7
University of Houston – Downtown	\$7.4	\$7.8	\$11.8	\$10.8
University of Houston – Victoria	\$2.4	\$2.9	\$4.3	\$3.5
<b>Subtotal, University of Houston System</b>	<b>\$50.9</b>	<b>\$51.2</b>	<b>\$76.8</b>	<b>\$76.6</b>
University of Texas – Pan American	\$12.3	\$0.0	\$0.0	\$0.0
University of Texas at Brownsville	\$5.1	\$0.0	\$0.0	\$0.0
<b>Subtotal, University of Texas System</b>	<b>\$17.4</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Subtotal, Texas State Technical College System</b>	<b>\$5.8</b>	<b>\$5.8</b>	<b>\$8.7</b>	<b>\$8.7</b>
Stephen F. Austin State University	\$8.4	\$7.8	\$11.6	\$11.3
Texas Southern University	\$8.9	\$7.8	\$11.7	\$11.7
Texas Woman’s University	\$10.2	\$9.9	\$14.8	\$14.6
<b>Subtotal, Independent Universities</b>	<b>\$27.5</b>	<b>\$25.5</b>	<b>\$38.1</b>	<b>\$37.6</b>
Texas Tech University	\$23.9	\$32.8	\$49.2	\$49.9
Texas Tech University Health Sciences Center	\$17.0	\$15.6	\$23.4	\$21.7
Texas Tech University Health Sciences Center at El Paso	\$0.0	\$4.2	\$6.2	\$5.6
Angelo State University	\$3.7	\$3.5	\$5.3	\$6.8
Midwestern State University	\$3.6	\$3.4	\$5.1	\$4.9
<b>Subtotal, Texas Tech University System</b>	<b>\$48.2</b>	<b>\$59.5</b>	<b>\$89.2</b>	<b>\$88.9</b>

**FIGURE 213 (CONTINUED)**  
**ANNUAL HIGHER EDUCATION FUND ALLOCATIONS TO ELIGIBLE INSTITUTIONS, FISCAL YEARS 2011 TO 2025**

(IN MILLIONS)

INSTITUTION (BY SYSTEM)	2011 TO 2015	2016	2017 TO 2020	2021 TO 2025
University of North Texas	\$27.8	\$25.0	\$37.6	\$37.3
University of North Texas Health Sciences Center	\$8.8	\$11.4	\$17.1	\$15.1
University of North Texas at Dallas	\$0.0	\$1.4	\$2.1	\$3.4
<b>Subtotal, University of North Texas System</b>	<b>\$36.6</b>	<b>\$37.8</b>	<b>\$56.8</b>	<b>\$55.8</b>
<b>Total, All Eligible Institutions</b>	<b>\$262.5</b>	<b>\$262.5</b>	<b>\$393.8</b>	<b>\$393.8</b>

NOTE: Totals may not sum due to rounding.  
 SOURCE: Legislative Budget Board.

and the Texas A&M University (TAMU) System. The Texas Constitution established the PUF in 1876 by appropriating land grants previously given to UT plus 1.0 million acres. In 1883, the PUF received another land grant of an additional 1.0 million acres. The fund contains approximately 2.1 million acres located in 24 West Texas counties.

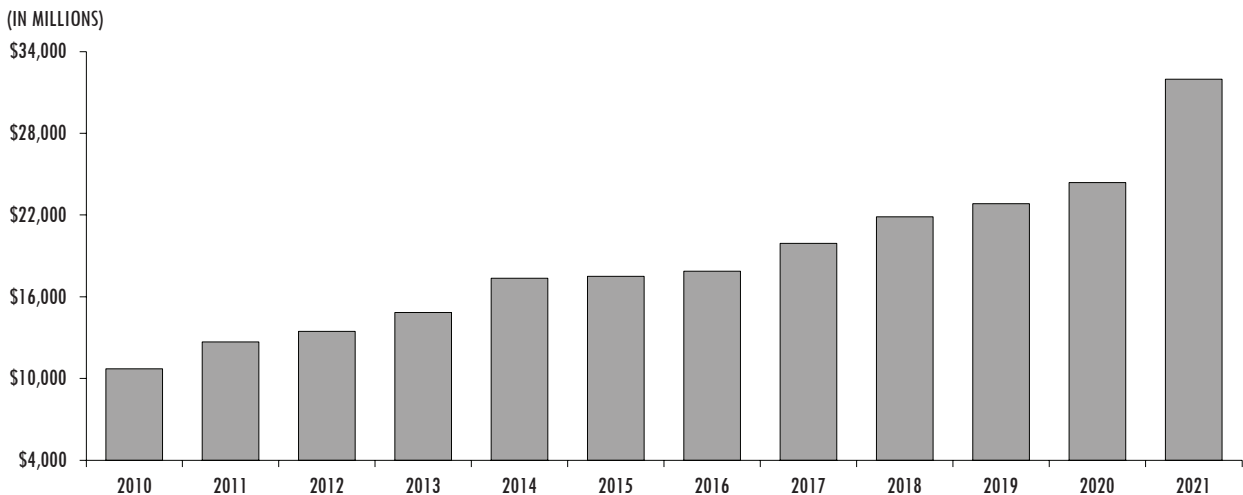
PUF's 2.1 million acres produce two lines of income: surface and mineral. The Texas Constitution requires all surface lease income to be deposited to the AUF. Mineral income and income from the sale of PUF lands remain in the PUF and are invested in equity, fixed-income, and derivative securities. Proposition 17, 1999, amended the Texas Constitution to authorize the UT Board of Regents to use a total return on investment assets from the PUF to be distributed to the AUF. Pursuant to the Texas Constitution, the distribution determination must provide the AUF with a stable annual

income stream while maintaining the PUF's purchasing power. The estimated market value of the PUF corpus as of August 31, 2021, was \$32.0 billion, representing growth of approximately 152.0 percent since fiscal year 2011. **Figure 214** shows the annual market value of the PUF corpus since fiscal year 2010.

Surface and investment income is distributed from the PUF into the AUF for use by the TAMU and UT systems. The constitution designates two-thirds of the AUF for the UT System and one-third for the TAMU System. The first obligation of any income earned by the PUF is to pay the debt service (both principal and interest) on existing PUF bonds.

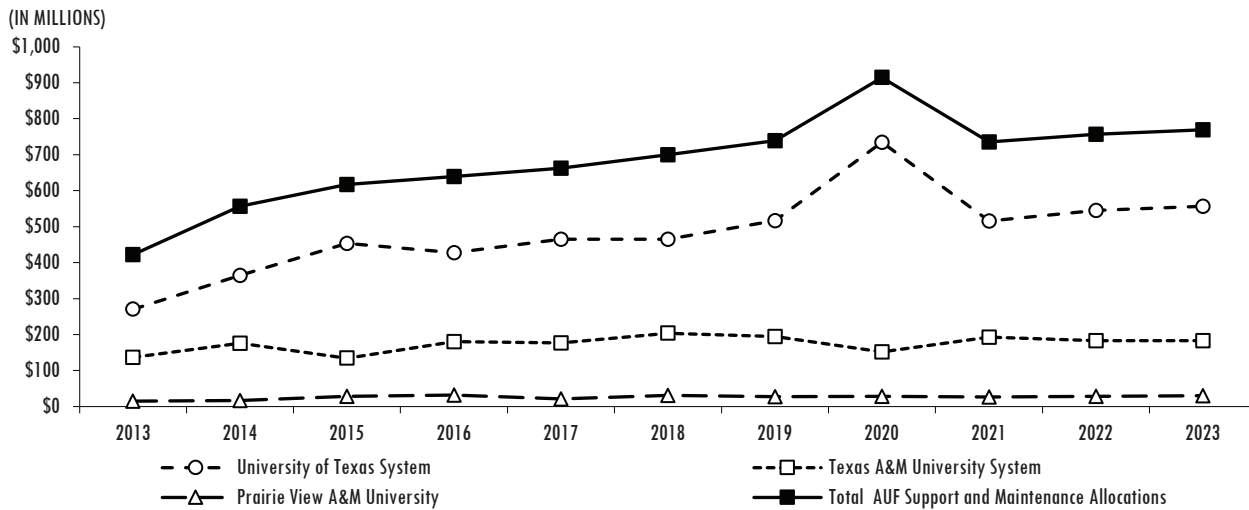
The residual income, after debt service, is dedicated to support and maintenance at UT at Austin, UT System

**FIGURE 214**  
**MARKET VALUE OF THE PERMANENT UNIVERSITY FUND, FISCAL YEARS 2010 TO 2021**



SOURCE: University of Texas/Texas A&M Investment Management Company.

**FIGURE 215**  
**AVAILABLE UNIVERSITY FUND (AUF) ALLOCATIONS FOR EXCELLENCE, FISCAL YEARS 2013 TO 2023**



NOTE: Amounts for fiscal years 2021 to 2023 are estimated.  
 SOURCES: Legislative Budget Board; the University of Texas System; Texas A&M University System.

administration, TAMU System administration, TAMU at College Station, and Prairie View A&M University. Support and maintenance includes special programs, such as library enhancement, specialized equipment purchases for science and engineering, student counseling services, graduate student fellowships, and scholarships. **Figure 215** shows that support and maintenance funding is estimated to total \$756.7 million for fiscal year 2022 and \$769.2 million for fiscal year 2023.

The two systems’ respective governing boards determine the allocation of PUF bond proceeds among their component institutions. The UT System is authorized to issue PUF bonds up to a total amount not to exceed 20.0 percent of the book value of the PUF; the TAMU System is authorized to issue up to 10.0 percent of the book value of the fund.

The Eighty-second Legislature, Regular Session, 2011, amended the composition of the governing board for the University of Texas/Texas A&M Investment Management Company (UTIMCO) to require two appointees representing the Texas A&M University System. UTIMCO is the firm that invests and manages the PUF and other endowments, most of which are not appropriated through the General Appropriations Act (GAA). The legislation also requires at least one of the TAMU appointees and all of the remaining appointees to have knowledge and expertise in investments.

The Eighty-fourth Legislature, GAA, 2016–17 Biennium, established in riders new reporting and notification requirements regarding the uses of the AUF. An annual report due by December 1 requires additional information on AUF support and maintenance allocations and expenditures for system office operations and initiatives by activity. Each activity must include information regarding purpose, authority, objects of expense, and full-time-equivalent positions, and list other funds outside of AUF used for each activity.

Beginning in fiscal year 2016, no AUF appropriations may be used for system initiatives without written notification to the Legislative Budget Board at least 30 days before the board of regents takes action on system initiatives. Additional notification-related details are explained by rider.

Another rider requirement established during the 2016–17 biennium requires that all AUF expenditures must be categorized by one of the following program categories: debt service, system office operations, system initiatives, or support of eligible component institutions.

The Eighty-sixth Legislature, GAA, 2020–21 Biennium, eliminated quarterly reporting requirements for System Office Operations and System Initiatives and the requirement that no AUF expenditures are used by the UT System to reimburse expenses of any unconfirmed members of the board of regents.



**AVAILABLE NATIONAL RESEARCH FUND**

The Texas Constitution was amended in 1995 to authorize the establishment and funding of the Permanent Higher Education Fund (PHEF), a corpus separate from the annual Higher Education Fund (HEF) allocation of General Revenue Funds. The PHEF was intended to become a permanent endowment to support non-PUF-eligible institutions. The constitution required cessation of the annual HEF appropriation when the value of the PHEF corpus reached \$2.0 billion; however, as of August 31, 2009, the estimated market value of the PHEF corpus was \$515.9 million. The Eighty-first Legislature, Regular Session, 2009, established a new source of funding to enhance research capacity at certain universities and redirected the PHEF corpus for that purpose. The redirection of the PHEF corpus was authorized with the voter approval of Proposition 4 in 2009, which amended the Texas Constitution, Article VII, by establishing the National Research University Fund (NRUF). Proposition 4 transferred the balance of the PHEF to the credit of the NRUF as of January 1, 2010, and repealed the constitutional authorization for the PHEF.

The Texas Constitution, Article VII, authorizes the Legislature to appropriate some or all of the total return on all investment assets of the NRUF for the purposes of the fund, except for two caveats: (1) the Legislature may not increase distributions from the fund if the purchasing power of investment assets for any rolling 10-year period is not preserved; and (2) the amount appropriated from the proceeds of the NRUF corpus during any fiscal year must be capped at 7.0 percent of the investment assets' average net fair market value. Until the NRUF has been invested long enough to determine its purchasing power during a 10-year period, the Legislature is authorized to use other means of preserving the purchasing power of the fund.

The Eighty-second Legislature, Regular Session, 2011, established the specific eligibility and distribution criteria for Available National Research Fund (ANRUF) appropriations. To be eligible to receive ANRUF appropriations, an institution must meet two mandatory criteria and four of six optional criteria. Mandatory criteria include the following factors:

- the institution is designated as an emerging research university within the Texas Higher Education Coordinating Board's (THECB) Accountability System; and

- the institution reported at least \$45.0 million in restricted research expenditures during each of the preceding two fiscal years.

Optional criteria for the ANRUF include the following factors:

- possession of an endowment fund valued at more than \$400.0 million;
- awarding more than 200 doctor of philosophy degrees per year;
- having an entering freshman class of high academic achievement;
- recognition of the institution's research capability and scholarly attainment;
- possession of a high-quality faculty; and
- possession of high-quality graduate education programs.

THECB evaluates the mandatory and optional criteria to determine whether an institution is eligible to receive ANRUF appropriations. Before fiscal year 2018, Texas Tech University and University of Houston were the only emerging research universities in Texas eligible to receive ANRUF appropriations. During fiscal year 2018, the University of Texas at Dallas became eligible to receive ANRUF distributions. The University of Texas at Arlington (UT-Arlington) may be eligible for ANRUF funding beginning in fiscal year 2021 following receipt and verification of necessary UT-Arlington data by THECB and an audit by the State Auditor's Office confirming the data.

**SUPPORT FOR MILITARY AND VETERANS EXEMPTIONS**

The Eighty-third Legislature, Regular Session, 2013, established the Permanent Fund Supporting Military Veterans Exemptions (MVE) to assist public institutions of higher education to offset the waived tuition and fee revenue from the federal Hazlewood Legacy Program (HLP). Although no initial funding was appropriated to the MVE by the Eighty-third Legislature, the MVE received a onetime donation of \$248.0 million from the Texas Guaranteed Student Loan Corporation during September 2013. The TTSTC determines the amount available for distribution from MVE in accordance with policy adopted by the Comptroller of Public Accounts.

In accordance with HLP, qualifying veterans may assign unused hours of their Hazlewood Act state tuition exemption to a dependent that meets eligibility requirements.

The following are requirements that a veteran must meet to qualify for the Hazlewood Act's education benefit of up to 150.0 hours of tuition exemption:

- at the time of entry into active duty in the U.S. Armed Forces, designated Texas as home of record; or entered the service in Texas; or was a Texas resident;
- received an honorable discharge or separation or a general discharge with honorable conditions as indicated on the veteran's Certificate of Release or Discharge from Active Duty;
- served at least 181.0 days of active duty service, excluding training;
- has no federal veteran's education benefits dedicated to the payment of tuition and fees, or has no such federal veterans education benefits that are equal to or exceed the value of Hazlewood Act benefits received during a given semester or other term;
- is not in default on a student loan made or guaranteed by the state of Texas;
- enrolled in classes for which the college receives tax support (i.e., a course that does not depend solely on student tuition and fees to cover its cost), unless the college's governing board has ruled to let veterans receive the benefit while enrolled in nonfunded courses;
- meets the grade point average (GPA) requirement of the institution's satisfactory academic progress policy in a degree or certificate program as determined by the institution's financial aid policy and, as an undergraduate student, is not considered to have attempted an excessive amount of credit hours; and
- veterans that were granted their first Hazlewood Act exemptions beginning fall 2011 must reside in Texas during the semester or term for which the exemption is claimed. This requirement does not apply to a veteran that either received the exemption before academic year 2011–12, has reenlisted into active duty, or resides with a spouse that is on active duty.

The following are HLP requirements that a veteran's dependent must meet to have Hazlewood Act benefits transferred to that dependent:

- classified by the institution as a Texas resident;
- biological child, stepchild, adopted child, or claimed as a dependent during the current or previous tax year;
- age 25 or younger on the first day of the semester or term for which the exemption is claimed, unless granted an extension due to a qualifying illness or debilitating condition; and
- meets the GPA requirement of the institution's satisfactory academic progress policy in a degree or certificate program as determined by the institution's financial aid policy and, as an undergraduate student, is not considered to have attempted an excessive amount of credit hours.

HLP recipients will receive an exemption for the number of degree-certified hours reported by the institution for that term or semester. Maximum degree-certified hours awarded to the HLP recipient depend on the degree or certificate program in which the student is enrolled for that term or semester and must be consistent with the program length as defined within the school catalog as approved by the regional accreditation commission. If a veteran's dependent to whom hours have been delegated fails to use all of the assigned hours, a veteran may reassign the unused hours that are available to another dependent. Only one dependent can use HLP benefits at a time.

The Eighty-third Legislature, Regular Session, 2013, transferred the administrative responsibility for HLP from THECB to the Texas Veterans Commission.

## TEXAS A&M UNIVERSITY SYSTEM AGENCIES

**PURPOSE:** Provide and conduct a variety of research, regulatory, workforce development, and emergency management programs. The focus of the system agencies' programs include agriculture, forestry, animal health, public safety, infrastructure, transportation, emergency management, and economic development.

**ESTABLISHED:** Texas A&M AgriLife Research – 1887; Texas A&M AgriLife Extension Service – 1915; Texas A&M Engineering Experiment Station – 1914; Texas A&M Transportation Institute – 1950; Texas A&M Engineering Extension Service – 1948; Texas A&M Forest Service – 1915; Texas A&M Veterinary Medical Diagnostic Laboratory – 1967; Texas Division of Emergency Management – 1951

**AUTHORIZING STATUTE:** The Texas Education Code, Chapter 88

**GOVERNANCE:** Texas A&M University System Board of Regents—nine members appointed by the Governor with the advice and consent of the Senate

**FIGURE 216**  
**TEXAS A&M UNIVERSITY SYSTEM AGENCIES BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$491.7	\$403.3	(\$88.4)	(18.0%)	<table border="1"> <tr> <td>2022</td> <td>4,714.2</td> </tr> <tr> <td>2023</td> <td>4,714.2</td> </tr> </table>	2022	4,714.2	2023	4,714.2
2022	4,714.2								
2023	4,714.2								
General Revenue–Dedicated Funds	\$53.1	\$94.3	\$41.1	77.4%					
Federal Funds	\$3,870.7	\$954.9	(\$2,915.9)	(75.3%)					
Other Funds	\$486.9	\$399.3	(\$87.6)	(18.0%)					
<b>Total, All Methods of Finance</b>	<b>\$4,902.5</b>	<b>\$1,851.7</b>	<b>(\$3,050.7)</b>	<b>(62.2%)</b>					

### SIGNIFICANT DEVELOPMENTS

Appropriations include an increase of **\$5.9 million** in General Revenue Funds and General Revenue–Dedicated Funds and 52.0 full-time-equivalent (FTE) positions at the Texas A&M AgriLife Extension Service and **\$5.5 million** and 28.0 FTE positions for the restoration of the agencies' 5.0 percent reductions exercised in the 2020–21 biennium.

Appropriations include an increase of **\$18.0 million** in General Revenue Funds and 55.0 FTE positions at Texas A&M AgriLife Research for the agency's **Advancing Health through Agriculture** initiative.

Appropriations include an increase of **\$10.0 million** in General Revenue Funds at the Texas A&M Engineering Experiment Station for the **Rio Grande Valley Advanced Manufacturing Innovation Hub**.

Appropriations include an increase of **\$22.5 million** in General Revenue Funds at the Texas Division of Emergency Management to fund fleet management and other indirect administration costs at the agency.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Funding for the Texas A&M University (TAMU) System agencies for the 2022–23 biennium includes the following changes:

- an increase of \$18.0 million in General Revenue Funds and 55.0 full-time-equivalent (FTE) positions at Texas A&M AgriLife Research (TAR) for the agency’s Advancing Health Thru Agriculture initiative. Additionally, an increase of \$5.5 million in General Revenue Funds and General Revenue–Dedicated Funds and 28.0 FTE positions at TAR restoring 5.0 percent funding reductions exercised in the 2020–21 biennium;
- an increase of \$0.8 million in General Revenue Funds for new programmatic funding at the Texas A&M AgriLife Extension Service (TAES) for Chronic Disease Prevention, the Warfarin Experimental Use program, and conducting a Grape Crush Report on the Texas wine industry. Additionally, an increase of \$5.9 million in General Revenue Funds and Other Funds and 52.0 FTE positions at TAES, restoring 5.0 percent funding reductions exercised in the 2020–21 biennium;
- an increase of \$4.5 million in General Revenue–Dedicated Funds at the Texas A&M Forest Service restoring five percent funding reductions exercised in the 2020–21 biennium;
- an increase of \$10.0 million in General Revenue Funds at the Texas A&M Engineering Experiment Station (TEES) to fund the agency’s collaboration with the Brownsville Navigation Authority to establish the Rio Grande Valley Advanced Manufacturing Innovation Hub; and
- an increase of \$22.5 million in General Revenue Funds at the Texas Division of Emergency Management to fund the indirect administration of the agency, the Brazoria County Operations Center, and the agency’s new statutory role in preparing for and responding to weather emergencies and power outages. Additionally, an increase of 17.0 FTE positions support the agency’s regional staging sites that were funded in the 2020–21 biennium.

**TEXAS A&M AGRILIFE RESEARCH**

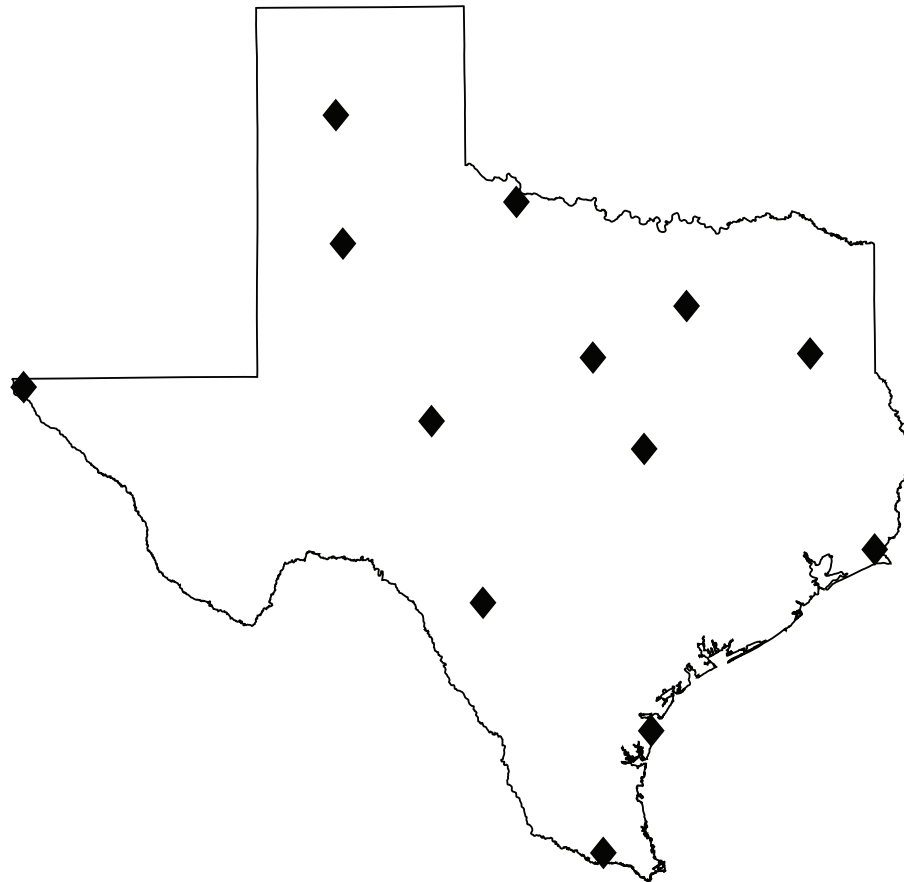
Texas A&M AgriLife Research conducts research activities at 13 major research and extension centers throughout the state to address Texas’ geographic diversity and corresponding plant and animal variety. The agency integrates its programs with the AgriLife Extension Service’s through colocation of staff at research and extension centers, cooperative planning, joint appointments, and joint publications.

TAR’s goals are to promote agricultural competitiveness, environmental quality, agricultural product quality, and economic development. The agency conducts research on livestock, plants, crops, and processing techniques to ensure that Texas’ agriculture system is competitive. TAR also focuses on conserving natural resources and research that addresses air, soil, and water quality. Additionally, the agency is expanding its research portfolio in the area of human health and nutrition. Central to this effort is the agency’s new state and federal partnership, Advancing Health through Agriculture. This initiative will develop new research and information tools in an effort to provide reliable information for all levels of the supply chain to aid in better nutrition decision making. A key emphasis of this program is to enhance public health and reduce instances of preventable disease through better nutrition.

TAR also administers two regulatory services. The Texas Apiary Inspection Service (TAIS) is charged with regulating the honeybee industry in the state. The service has a 2022–23 biennial operating budget of approximately \$0.5 million, which is supported partially by fees. TAIS regulates honeybees to maintain a population of bees that benefits pollination needs and honey production. TAIS issues permits and certifications, conducts inspection operations, and limits honeybee migration through quarantine procedures. TAMU’s Department of Entomology provides the testing services for TAIS.

The second regulatory service TAR administers involves the Office of the Texas State Chemist (OTSC) and includes the Feed and Fertilizer Control Service (FFCS) and the Agriculture Analytical Service (AAS). FFCS regulates the distribution of approximately 21.9 million tons of feed and 3.2 million tons of fertilizer to ensure that the products conform to state commercial feed and fertilizer codes. FFCS licenses distributors of feed and registers all fertilizer distributors and manufacturers and distributors of ammonium nitrate materials. The FFCS operating budget is generated by fee revenue, including contracts with the U.S. Food and Drug Administration (FDA) and the U.S.

**FIGURE 217**  
**TEXAS A&M AGRILIFE EXTENSION SERVICE DISTRICT EXTENSION ADMINISTRATORS, FISCAL YEAR 2020**



SOURCE: Texas A&M University System.

Department of Agriculture (USDA). OTSC supports 14 field investigators commissioned by the FDA. These investigators conduct facility audits, investigate animal deaths associated with feed, review product labels, and collect investigatory samples for AAS analysis. OTSC's 2022–23 biennial operating budget is approximately \$10.8 million.

#### **TEXAS A&M AGRILIFE EXTENSION SERVICE**

The agency conveys scientific information and technology transfer programs to the public, developed through the TAMU System, USDA, and private and public research organizations. The extension service's programs address areas in agriculture and natural resources; youth, community, and leadership development; environmental quality; and food safety. The Texas 4-H program is one of the youth programs the agency administers, which prepares participants to learn leadership, citizenship, and life skills.

A statewide network of approximately 510 county extension agents, along with program specialists located in research and extension centers, delivers educational programs to all 254 Texas counties. District extension administrators, which supervise personnel and programs, are located in 13 research and extension centers across the state, shown in **Figure 217**. The extension service has more than 240 program specialists located on and off campus that support 13 academic departments on TAMU campuses. The program specialists provide direct program support for district and county activities. Salaries for county extension agents are paid from county, state, and federal sources. General Revenue Funds contribute approximately one-half the cost of agent salaries, with counties providing approximately 35.0 percent, and the federal government providing the remaining portion. The extension service works in partnership with county courts across the state to provide educational resources to its clients.

In response to damages caused by Hurricane Harvey, the Eighty-sixth Legislature, 2019, increased funding for the extension service by \$6.8 million to support six regional Disaster Assessment and Recovery Teams (DART) made up of extension professionals with expertise in community resiliency planning, hazard mitigation education, emergency preparedness, and long-term recovery processes. The Eighty-seventh Legislature, 2021, carried this funding forward. These DART teams played a significant role in the state's response to the COVID-19 pandemic.

#### **TEXAS A&M ENGINEERING EXPERIMENT STATION**

The agency's goal is to conduct basic and applied research in engineering and related fields. TEES accomplishes this goal through engineering and technology-oriented research and educational collaborations. The agency provides programs for students in engineering research and education at the secondary, undergraduate, and graduate levels. TEES also forms collaborations among industries, communities, and academic institutions that position Texas to be competitive for federal grant funding and provides technical assistance for licensing and the commercialization of products. TEES research is focused on six strategic areas: energy systems and services, healthcare, information systems and sensors, materials and manufacturing, infrastructure, and national security safety. TEES also operates the George H.W. Bush Combat Development Complex, Center for Infrastructure Renewal, Offshore Technology Research Center, Nuclear Science Center, Food Protein Research and Development Center, National Center for Therapeutics Manufacturing, Mary Kay O'Connor Process Safety Center, and National Corrosion Center.

TEES has partnerships with primary education schools, community colleges, universities, and industries to offer short courses, certificate programs, and distance education. TEES participates in education partnerships that enhance science, technology, engineering, and mathematics (STEM) education to increase the number of engineers and scientists in the state. The Energy System Laboratory within TEES assists in energy efficiency and renewable energy research, along with emissions reduction calculations for the Texas Emissions Reduction Plan, administered by the Texas Commission on Environmental Quality.

TEES also generates external research funds, the majority of which are contributed from federal sponsors, including the U.S. Department of Energy, National Science Foundation, U.S. Department of Defense, U.S. Department of Health

and Human Services, National Institutes of Health, and the National Aeronautics and Space Administration (NASA).

The Eighty-sixth Legislature, 2019, transferred a NASA cooperative education and technology outreach program for students to TEES from the University of Houston System. This program provides research and education partnerships with the goal of increasing the number of students pursuing STEM degrees and careers by providing interactive, online-learning experiences, and trips to NASA's Johnson Space Center in Houston. The Eighty-seventh Legislature, 2021, expanded funding for this program by \$0.3 million and added resources to support capstone projects for students participating in this program.

Building on funding provided by the Eighty-sixth Legislature, 2019, to support a partnership with the U.S. Army Futures Command, TEES continues to engage the state's public institutions of higher education with private-sector industries to operate and equip a proving ground site and to commercialize and manufacture critical emerging technologies for infrastructure networks, public safety, and national defense. The work conducted in this initiative is primarily driven by the Army's Modernization Priorities.

The Eighty-seventh Legislature, 2021, provided \$10.0 million of an anticipated total \$15.0 million investment to support the establishment and operation of the Rio Grande Valley Advanced Manufacturing Innovation Hub (RAMI Hub). The RAMI Hub will support a regional partnership led by TEES in concert with the Texas A&M Engineering Extension Service, the Brownsville Navigation District, and regional educational and commercial partners. The objective of this collaboration is to provide trainings and credentials to the regional workforce in the areas of advanced manufacturing and manufacturing security, among others.

#### **TEXAS A&M TRANSPORTATION INSTITUTE**

Texas A&M Transportation Institute's (TTI) goals are to anticipate, identify, and solve transportation problems; disseminate the results of research to improve the overall transportation system; and enhance the quality of transportation education in Texas. The agency researches all transportation modes, including air, water, surface, rail, and pipeline. The agency also researches ways to develop effective and efficient multimodal transportation systems. TTI conducts more than 600 research projects with more than 200 sponsors annually. In addition to the agency's office in College Station and its research annex at the Texas A&M System RELLIS Campus in Brazos County, TTI maintains

field offices in Arlington, Austin, Dallas, El Paso, Galveston, Houston, San Antonio, and Waco. The agency also has a testing center in Pecos. TTI conducts much of its research through its 10 state and national centers, which include the Center for Transportation Safety, the Transportation Economics Research Center, and the Center for Ports and Waterways (CPW). CPW addresses issues such as trade movements and trends, intermodal concerns, landside access, economic and environmental effects, international commerce, port development, and security. CPW provides maritime interests with research, development, technology transfer, and education programs.

TTI has a Center for International Intelligent Transportation Research located in El Paso, which seeks to improve mobility, border-crossing efficiency, and security. TTI conducts full-scale crash tests of safety designs at the agency's Proving Grounds Research Facility, which tests roadside devices, crash cushions, and barrier systems. TTI also operates the state's full-scale evaluation facility for performance testing of erosion control materials used by the Texas Department of Transportation (TxDOT) and a drive-in Environmental and Emissions Research Facility capable of accommodating tractor-trailers and buses.

The majority of the agency's funding is provided through sponsored research grants and contracts with private and governmental entities. Approximately 37.0 percent of TTI's funding is contributed from Interagency Contracts, and TxDOT provides the majority of those contracts.

#### **TEXAS A&M ENGINEERING EXTENSION SERVICE**

The Texas A&M Engineering Extension Service (TEEX) provides public-sector and private-sector training, technology-transfer assistance, and emergency response. Public service programs fulfill mandated training requirements for certification in structural fire protection, emergency medical services, law enforcement, water, and wastewater treatment. Industrial-sector training includes programs in occupational safety, heavy equipment operation, power distribution, job safety, telecommunications, electronics, and workforce and economic development. During fiscal year 2020, TEEX provided more than 148,996 contact hours of technical assistance, and more than 1.3 million student contact hours of public-sector training. Both of these markers were reduced during fiscal year 2020 due to the COVID-19 pandemic, which discontinued in-person trainings for a significant portion of the year. This decrease in the number of trainings resulted in a significant decrease in

revenue for the 2020–21 biennium. The agency's 2022–23 biennial appropriation represents an anticipated return to regular course offerings and an accompanying volume of anticipated revenue; however, this revenue may be affected by the continued need for reduced trainings depending on the longevity of the pandemic.

TEEX maintains regional training centers in Galveston, Houston, Mesquite, and San Antonio. Galveston is home to the Center for Marine Training and Safety, which offers training for maritime, oil exploration, and drilling industries. The Houston office focuses on manufacturing assistance and business development. The Mesquite office is the site of the Occupational Safety and Health Administration's Southwest Education Center, which provides occupational, construction, and industrial safety training. The San Antonio office focuses on the needs of South Texas regarding water, wastewater, electric power, safety, and other areas of infrastructure training and assistance.

Additionally, TEEX is the designated state fire training provider. The agency's Brayton Fire Training Field includes full-scale buildings, towers, tanks, industrial plant structures, and a ship superstructure that are used during liquid-fueled, live-fire training simulations. Adjacent to the fire field are TEEX's Emergency Operations Training Center, a simulation and computer-based technologies training facility, and Disaster City, a search and rescue training facility.

TEEX is the sponsoring agency for Texas Task Force 1 (TX-TF1), which functions as a federal Urban Search and Rescue team as part of the Federal Emergency Management Agency's national urban search and rescue system and as Texas' only statewide search and rescue team, working with the Texas Division of Emergency Management. TX-TF1 includes more than 600 emergency response personnel from approximately 60 organizations and departments across the state. State and federal deployments of TX-TF1 have included emergency responder activities at the World Trade Center following the September 11, 2001, attacks; recovery efforts during the Columbia space shuttle disaster; and rescue missions after hurricanes Katrina, Rita, Ike, and Harvey. TX-TF1 typically is reimbursed for costs associated with each deployment from the state and the federal governments following each response activation. The Eighty-seventh Legislature, Regular Session, 2021, continued the appropriation of \$2.0 million in General Revenue Funds for Texas Task Force 2's (TX-TF2) operational readiness. TX-TF2 is primarily a regional urban search and rescue response team for all hazardous disasters in the North Central

Texas area. TX–TF2 provides coordinated efforts including necessary personnel and equipment to locate, extricate, rescue, and provide immediate medical treatment to victims trapped as a result of a natural or human-caused disaster; and provide assistance to first responders when their capabilities are exceeded.

TEEX also operates the National Emergency Response and Rescue Training Center, part of the National Domestic Preparedness Consortium, to provide homeland security training in incident management and unified command to elected officials and emergency response personnel, covering various areas including all-hazard events, terrorist acts, cybersecurity, and natural disasters.

As part of the response to the COVID-19 pandemic, TEEX and the A&M AgriLife Extension Service provided assistance teams to local jurisdictions to assist with preparing applications and documentation necessary to receive recovery financial support from the federal government while also supporting the distribution of supplies and information to support local stakeholders.

#### **TEXAS A&M FOREST SERVICE**

The Texas A&M Forest Service (TFS) delivers wildfire response and protection on 156.0 million acres across Texas through its Texas Wildfire Protection Plan (TWPP). TWPP is an emergency response model emphasizing ongoing analysis, mitigation, prevention and preparation, followed by a coordinated response through TFS locations across the state. TWPP includes the Rural Volunteer Fire Department Assistance Program, which provides grants to local volunteer fire departments to help rural areas establish their own firefighting capabilities by sharing the cost of firefighting equipment and training. TWPP also includes the Texas Intrastate Fire Mutual Aid System program, which provides reimbursement grants to fire departments that are not eligible for grant assistance from the Rural Volunteer Fire Department Assistance Program.

Historically, the Texas Legislature appropriates funding as needed to TFS for wildfire costs incurred by the state. These supplemental appropriations are used as state matching funds to receive Federal Emergency Management Agency (FEMA) funds and to cover costs that are not paid for by FEMA reimbursements. FEMA typically reimburses Texas for eligible costs, whether as part of a presidential disaster declaration or through the Fire Management Assistance Grant Program, and the state reimburses any responding agencies that assisted in fighting the wildfires. Cost sharing

between federal and state governments for fighting wildfires varies depending on the severity of a fire season and the resources deployed. For fiscal year 2021, TFS received a supplemental appropriation of \$56.4 million from the Economic Stabilization Fund for the purpose of paying for, or reimbursing payments made for, costs incurred by TFS associated with responding to various weather-related emergencies. Of that amount, \$1.6 million was appropriated to reimburse TFS for costs related to its role in responding to the COVID-19 pandemic.

As requested by the Texas Division of Emergency Management, TFS helps coordinate other response efforts for hurricanes, floods, tornadoes, and other disasters. In addition to response efforts, TFS conducts applied research in the field of forest insects and diseases and disseminates information to landowners. The agency dedicates time to reforestation efforts, urban forestry programs, resource development assistance, windbreak development, ecosystem services, and community assistance. TFS maintains statistics on annual forest growth, harvest trends, and forest industry production levels. The agency also operates a nursery and a seed orchard for the production of tree seedlings.

#### **TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY**

The Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL) performs veterinary diagnostic services, export testing, and disease surveillance. The agency also works to detect, report, and respond to potential disease outbreaks among Texas' animal populations, including foot and mouth disease and avian influenza. TVMDL conducts laboratory tests on specimens from live or deceased animals and their environments. In addition, the agency's four laboratories facilitate commerce of Texas livestock by providing tests required for international, intrastate, and interstate movement of animals. TVMDL also provides laboratory data necessary to identify disease outbreaks, including emerging, reemerging, and zoonotic diseases, and provides appropriate warnings to individuals and governmental agencies.

The agency works with many partners, including the Texas Animal Health Commission, the Texas Parks and Wildlife Department, the Texas Department of State Health Services, the National Center for Foreign Animal and Zoonotic Disease Defense, and the USDA Veterinary Services. TVMDL is one of 12 core labs composing the National Animal Health Laboratory Network, a group of state and



regional diagnostic laboratories. The two full-service labs in College Station and Amarillo perform diagnostic testing and disease surveillance services ranging from toxicology and necropsy to basic veterinary services.

Senate Bill 705, Eighty-seventh Legislature, Regular Session, 2021, implemented recommendations from the Sunset Advisory Commission to transfer the state regulatory testing laboratory from the Texas Animal Health Commission to TVMDL. This legislation resulted in the transfer of 4.0 FTE positions and \$279,800 per year to support that capacity.

### **TEXAS DIVISION OF EMERGENCY MANAGEMENT**

House Bill 2794, Eighty-sixth Legislature, 2019, transferred administration of the Texas Division of Emergency Management (TDEM) from the Department of Public Safety to the TAMU System and established the entity as an agency of higher education. This transfer was made in response to recommendations from the Office of the Governor's Commission to Rebuild Texas following Hurricane Harvey to unify certain emergency management functions within the state. Although the legislation transferred the administration of the agency to the TAMU System, the Governor appoints the chief of TDEM.

TDEM manages the State Operations Center, which serves as the focal point for state weather and health warning systems and is the control facility for emergency operations. During fiscal year 2021, TDEM coordinated the state response for 5,221 emergency incidents.

TDEM is the state's primary emergency response division and is charged with executing a statewide, comprehensive, all-hazard emergency management program. This program includes pre-disaster and post-disaster mitigation of known hazards; emergency planning, training, and other preparedness activity exercises; provisions for effective response to emergency situations; and recovery programs for major disasters. TDEM also is charged with providing assistance to local and state agencies to plan and implement emergency management programs.

TDEM's purpose is to enhance emergency preparedness at the state and local levels, effectively administer homeland security and emergency management grant programs, and ensure a prompt, effective response to and recovery from natural and human-made disasters. TDEM assists local jurisdictions in responding to major emergencies and disasters, including hurricanes, tornadoes, floods, wildfires, and hazardous material spills. TDEM maintains state

emergency plans, reviews local emergency plans, and conducts emergency management training for local officials and for state and local emergency responders. It coordinates state disaster response operations with local governments, federal agencies, volunteer groups, and private-sector partners. TDEM administers federal and state disaster recovery and hazard mitigation grants to local governments, school districts, and state agencies.

For the 2022–23 biennium, appropriations for TDEM total \$760.0 million in All Funds, including \$52.2 million in General Revenue Funds. The majority of funding for TDEM consists of federal grants from the FEMA and the U.S. Department of Homeland Security, including Emergency Management Performance Grants, Public Assistance Grants, and Hazard Mitigation Grants. These Federal Funds pass through TDEM to individuals, cities, counties, school districts, state agencies, and other public entities for disaster response, recovery, and mitigation.

Senate Bill 6, Eighty-sixth Legislature, 2019, established a Disaster Recovery Loan program totaling \$10.0 million in General Revenue Funds for the 2020–21 biennium, which is administered by TDEM to provide short-term loans for disaster recovery projects to eligible political subdivisions. The agency is still in the process of establishing the program and the funds appropriated in the 2020–21 biennium were carried forward to the 2022–23 biennium.

House Bill 6, Eighty-sixth Legislature, 2019, established a disaster recovery task force and provided \$10.4 million in General Revenue Funds including 28.2 FTE positions for the 2020–21 biennium. The task force provides specialized assistance for communities and individuals to address financial issues related to available federal assistance programs and recovery and resiliency planning. The program was reduced by \$1.4 million as part of the agency's base reduction.

## HIGHER EDUCATION EMPLOYEES GROUP INSURANCE

**PURPOSE:** Higher Education Employees Group Insurance encompasses appropriations of state funds to individual institutions within three systems that provide health benefits coverage to higher education employees: the University of Texas (UT) System, the Texas A&M University (TAMU) System, and the Employees Retirement System of Texas (ERS).

**ESTABLISHED:** Various

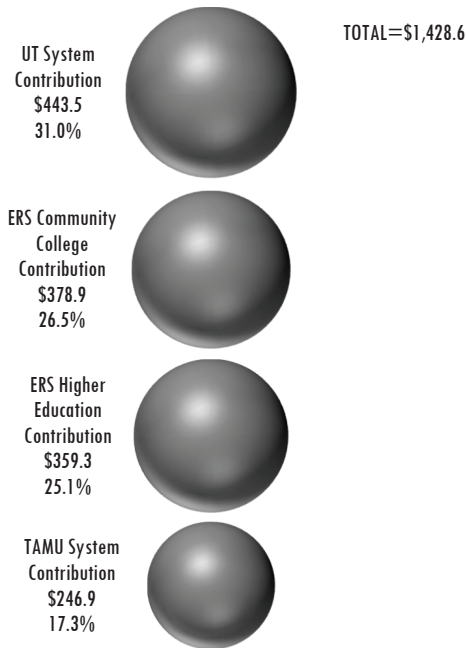
**AUTHORIZING STATUTE:** The Texas Insurance Code, Chapter 1601 (UT and TAMU systems) and Chapter 1551 (ERS institutions)

**GOVERNANCE:** ERS, UT System, and TAMU System

**FIGURE 218**  
HIGHER EDUCATION EMPLOYEES GROUP INSURANCE BY METHOD OF FINANCE

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$1,423.5	\$1,423.1	(\$0.4)	(0.0%)	<table border="1"> <tr> <td>2022</td> <td>0.0</td> </tr> <tr> <td>2023</td> <td>0.0</td> </tr> </table>	2022	0.0	2023	0.0
2022	0.0								
2023	0.0								
General Revenue–Dedicated Funds	\$0.0	\$5.5	\$5.5	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	N/A					
<b>Total, All Methods of Finance</b>	<b>\$1,423.5</b>	<b>\$1,428.6</b>	<b>\$5.1</b>	<b>0.4%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**State institutions of higher education** are funded at rates ranging from **78.2 percent to 78.7 percent** of full ERS premium rates.

**Community college districts** are funded at **50.0 percent** of full ERS premium rates.

The **number of participants** (active employees, retirees, and dependents) in the group insurance programs for the UT System, TAMU System, and ERS **totaled 486,000** for fiscal year 2021.

Due to decreases in enrollment, **33 community colleges** received employee-level **hold harmless funding** through the benefits petition process.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Appropriations for Higher Education Employees Group Insurance (HEGI) for the 2022–23 biennium total \$1,428.6 million in General Revenue Funds, an increase of \$5.1 million from the 2020–21 biennium. Appropriations for group health insurance are based on the number of eligible enrollees multiplied by premium contribution rates, which then are multiplied by annual rate increases. Contribution rates vary by insuring system and type of institution. Contributions for general state employees are funded at 100.0 percent of the Employees Retirement System of Texas (ERS) premium rates, whereas contributions for employees of state institutions of higher education are funded at rates ranging from 78.2 percent to 78.7 percent of full ERS premium rates, and contributions at local community college districts are funded at 50.0 percent of full ERS premium rates.

For the 2022–23 biennium, an institution’s allocation of General Revenue Funds is based on the number of employees at the institution enrolled in the health insurance program as of December 1, 2020. Funding is based on a sum-certain appropriation methodology in which state contributions to individual institutions are capped at the respective institution’s line-item amount, and additional costs, if any, must be borne by individual institutions out of other appropriated or local funds. However, ERS and the University of Texas (UT) and Texas A&M University (TAMU) systems are authorized to transfer HEGI appropriations among

institutions within their respective group insurance programs to address needs related to General Revenue Funds group insurance premiums.

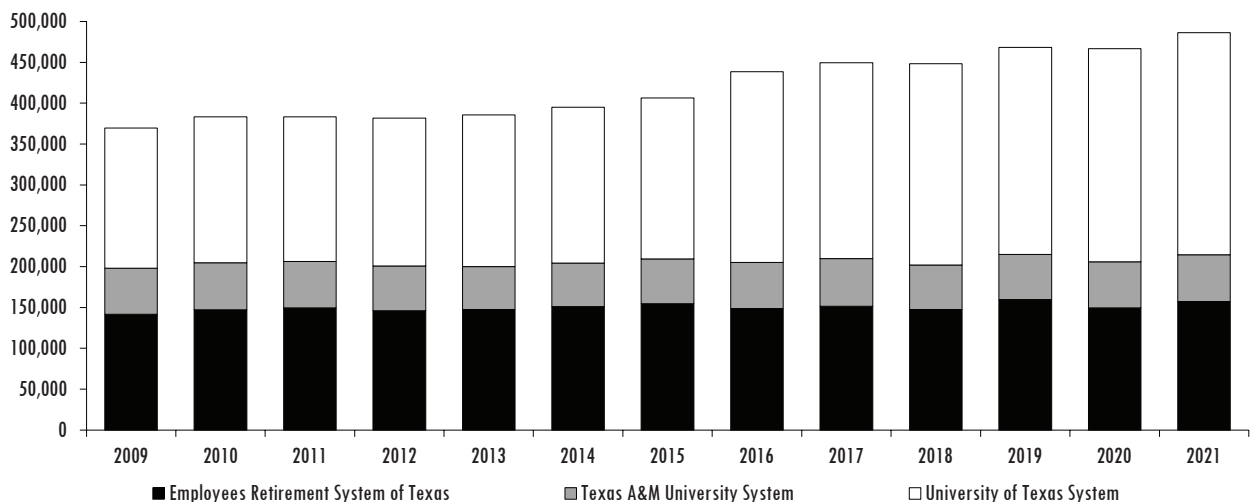
**PROGRAMS**

HEGI encompasses appropriations of state funds to individual institutions that participate in one of three systems providing health benefits coverage to higher education employees: UT System, TAMU System, and ERS. The ERS Group Benefits Program serves all institutions of higher education, except components of the UT System and TAMU System. **Figure 219** shows each system’s participants, including active employees, retirees, and dependents, from fiscal years 2009 to 2021.

The insurance contribution policy for ERS-covered institutions is the same as for general state employees. For full-time employees, the state and the institution of higher education pay the employee-only premium in full and half the difference between the employee-only premium and the premium for dependent coverage. For full-time employees of the UT and TAMU systems, the state and university systems also pay the employee-only premium in full and half the difference between the employee-only premium and the premium for dependent coverage. Employees of the UT System and TAMU System receive benefits similar to those offered to general state employees by ERS.

For all institutions of higher education except public community colleges, appropriations for HEGI are intended to provide state contributions to individual institutions’ costs

**FIGURE 219**  
**HIGHER EDUCATION EMPLOYEE HEALTH INSURANCE TOTAL PARTICIPATION, FISCAL YEARS 2009 TO 2021**



NOTE: Amounts for fiscal years 2020 and 2021 are estimated.

SOURCES: Employees Retirement System; Texas A&M University System; the University of Texas System.

of health insurance premiums in a manner prescribed by proportional cost-sharing requirements. As such, institutions are required to pay all the health benefit costs for those employees whose salaries are paid from sources other than the General Revenue Fund.

Unlike other institutions of higher education, state contributions for group health insurance for community colleges are based on the costs associated with eligible instructional or administrative employees whose salaries may be fully paid from funds appropriated in the General Appropriations Act, regardless of whether such salaries are paid from appropriated funds. Contributions may not be adjusted in a proportion greater than the change in student enrollment, with the exception that a college experiencing a decrease in student enrollment may petition the Legislative Budget Board to maintain the number of eligible employees up to 98.0 percent of the previous biennium. **Figure 220** shows employee hold harmless levels corresponding to each range of enrollment decrease in contact hours. For example, a community college that experienced an 8.0 percent decrease in contact hours received a 95.0 percent employee level of hold harmless funding. Similarly, a community college that experienced a 4.0 percent decrease in contact hours received a 98.0 percent employee level of hold harmless funding.

**FIGURE 220  
COMMUNITY COLLEGE STEPPED  
EMPLOYEE HOLD HARMLESS LEVELS**

PERCENTAGE DECREASE IN CONTACT HOURS	HOLD HARMLESS LEVEL
2.0% to 5.0%	98.0%
5.0% to 10.0%	95.0%
10.0% to 15.0%	90.0%
More than 15.0%	85.0%

SOURCE: Legislative Budget Board.

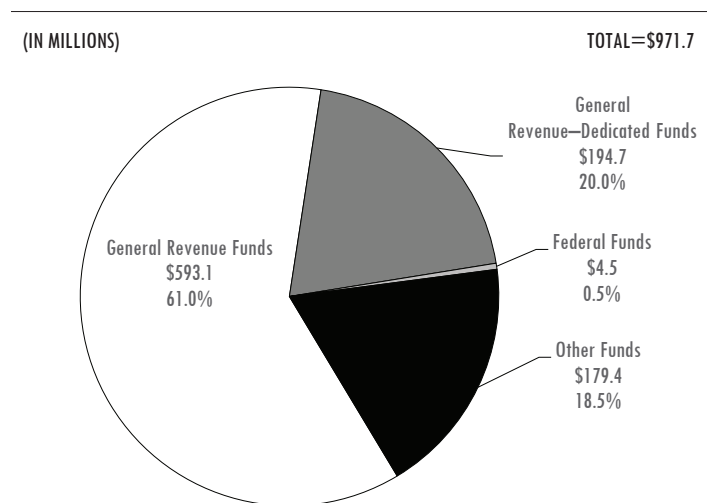
## 7. JUDICIARY

The Judiciary is the third branch of state government. Appropriations for the Judiciary support operation and administration of the state's court system, which includes the Supreme Court of Texas, the Court of Criminal Appeals, 14 Courts of Appeals, and 2,762 trial courts. Appropriations for the courts and six judicial branch agencies include funding for access to the courts for low-income Texans, judicial education, e-filing, fair defense for indigent defendants, review of allegations of judicial misconduct or disability, publicly available legal resources, prosecutor pay and expenses, juror pay, and nonresident witness expenses.

**FIGURE 221**  
**ARTICLE IV – JUDICIARY, BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$553.8	\$593.1	\$39.2	7.1%
General Revenue–Dedicated Funds	\$191.2	\$194.7	\$3.6	1.9%
Federal Funds	\$4.4	\$4.5	\$0.2	3.5%
Other Funds	\$237.1	\$179.4	(\$57.7)	(24.3%)
<b>Total, All Methods of Finance</b>	<b>\$986.5</b>	<b>\$971.7</b>	<b>(\$14.7)</b>	<b>(1.5%)</b>

### SHARE OF FUNDING BY METHOD OF FINANCE



### SIGNIFICANT DEVELOPMENTS

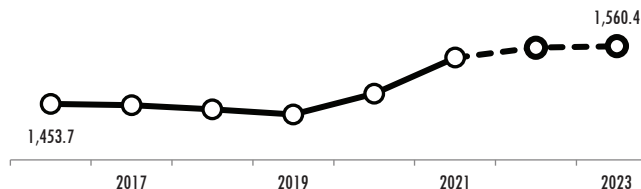
**House Bill 9, Second Called Session, 2021**, provides funding for **border security** related to indigent legal representation and related costs. **Appropriations for indigent defense total \$124.7 million**, which includes an increase of \$32.5 million to implement the provisions of the bill.

Funding for **basic civil legal services** totals **\$76.6 million, a decrease of 42.8 percent**, which includes **an additional \$2.5 million** to provide services to indigent clients and veterans and their families and **decreases of \$49.1 million** in civil penalty revenue that is no longer available and **\$10.6 million** in court costs, penalties, and fee revenue collections due to the COVID-19 pandemic.

**House Bill 3774, Regular Session, 2021**, established **seven new district courts in fiscal year 2022 and three in fiscal year 2023; one new probate court in fiscal year 2022; and two new county courts at law in fiscal year 2022 and three in fiscal year 2023**. Appropriations increased by **\$6.7 million** in All Funds to implement the provisions of the bill.

**Senate Bill 6, Second Called Session, 2021**, requires the development of a statewide public safety report system to inform a magistrate considering bail for certain defendants. **Appropriations provide \$4.3 million in All Funds and 6.0 FTE positions** to implement the provisions of the bill.

### FULL-TIME-EQUIVALENT POSITIONS



**NOTES:**

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent positions show actual positions for fiscal years 2016 to 2020, budgeted positions for fiscal year 2021, and appropriated positions for fiscal years 2022 and 2023.
- (3) All legislation refers to the Eighty-seventh Legislature, 2021.

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

**FIGURE 222**  
**ARTICLE IV – JUDICIARY APPROPRIATIONS BY AGENCY, ALL FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED	APPROPRIATED	BIENNIAL	PERCENTAGE
FUNCTION	2020–21	2022–23	CHANGE	CHANGE
Supreme Court of Texas	\$154.8	\$97.3	(\$57.5)	(37.1%)
Court of Criminal Appeals	\$40.1	\$46.6	\$6.5	16.1%
First Court of Appeals District, Houston	\$9.5	\$9.6	\$0.1	0.6%
Second Court of Appeals District, Fort Worth	\$7.6	\$7.6	(\$0.0)	(0.1%)
Third Court of Appeals District, Austin	\$6.3	\$6.3	\$0.0	0.1%
Fourth Court of Appeals District, San Antonio	\$7.6	\$7.5	(\$0.1)	(0.7%)
Fifth Court of Appeals District, Dallas	\$13.4	\$13.4	(\$0.0)	(0.2%)
Sixth Court of Appeals District, Texarkana	\$3.5	\$3.5	(\$0.0)	(0.0%)
Seventh Court of Appeals District, Amarillo	\$4.3	\$4.4	\$0.0	0.6%
Eighth Court of Appeals District, El Paso	\$3.4	\$3.4	\$0.0	0.4%
Ninth Court of Appeals District, Beaumont	\$4.4	\$4.4	\$0.0	0.0%
Tenth Court of Appeals District, Waco	\$3.6	\$3.6	\$0.0	0.0%
Eleventh Court of Appeals District, Eastland	\$3.4	\$3.5	\$0.0	0.3%
Twelfth Court of Appeals District, Tyler	\$3.5	\$3.5	\$0.0	0.0%
Thirteenth Court of Appeals District, Corpus Christi–Edinburg	\$6.4	\$6.4	\$0.0	0.3%
Fourteenth Court of Appeals District, Houston	\$10.0	\$10.0	\$0.0	0.2%
Office of Court Administration, Texas Judicial Council	\$215.6	\$236.2	\$20.6	9.6%
Office of Capital Writs	\$3.5	\$4.3	\$0.8	22.0%
Office of the State Prosecuting Attorney	\$0.9	\$0.9	\$0.0	1.8%
State Law Library	\$2.1	\$2.2	\$0.1	2.4%
State Commission on Judicial Conduct	\$2.4	\$2.4	\$0.1	2.5%
Judiciary Section, Comptroller’s Department	\$349.4	\$363.5	\$14.1	4.0%
<b>Subtotal, Judiciary</b>	<b>\$855.8</b>	<b>\$840.4</b>	<b>(\$15.4)</b>	<b>(1.8%)</b>
Employee Benefits and Debt Service	\$153.3	\$154.8	\$1.5	1.0%
Less Interagency Contracts	\$22.6	\$23.5	\$0.9	4.1%
<b>Total, All Functions</b>	<b>\$986.5</b>	<b>\$971.7</b>	<b>(\$14.7)</b>	<b>(1.5%)</b>

NOTES:

(1) May include anticipated supplemental spending adjustments.

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

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

The Eighty-seventh Legislature, 2021, appropriated \$971.7 million in All Funds for the Judiciary, a decrease of \$14.7 million, or 1.5 percent, from the 2020–21 biennium.

**APPELLATE COURT FUNDING**

Appropriations for all of the appellate courts, including the **Supreme Court of Texas**, the **Court of Criminal Appeals (CCA)**, and the **14 appellate courts**, total \$230.8 million in

All Funds, a decrease of \$51.0 million, or 18.1 percent. The decrease primarily includes the following changes:

- the Supreme Court’s Basic Civil Legal Services Program provides grants to nonprofit organizations that provide free civil legal services to low-income Texans. Program funding totals \$76.6 million in All Funds, a decrease of \$57.2 million, or 42.8 percent. This amount includes an increase of \$2.5 million in General Revenue Funds to provide additional

funding for basic civil legal services to veterans and their families and a \$59.7 million decrease in Other Funds from the Judicial Fund, including \$49.1 million in onetime civil penalties awarded to the state from the Wells Fargo settlement no longer being available and reductions of \$10.6 million in court costs, penalties, and fee revenue collections resulting from the COVID-19 pandemic.

- the CCA Judicial Education Program provides grants to entities that offer continuing legal education, technical assistance, and innocence training for judicial and court staff. Program funding totals \$32.6 million in All Funds, which includes an increase of \$7.3 million, or 28.7 percent.

### JUDICIAL BRANCH AGENCIES

Judicial branch agencies include the **Office of Court Administration, Texas Judicial Council** (OCA); the **Office of Capital and Forensic Writs** (OCFW); the **Office of the State Prosecuting Attorney** (OSPA); the **State Law Library** (SLL); the **State Commission on Judicial Conduct** (SCJC); and the **Judiciary Section, Comptroller's Department** (Judiciary Section). Appropriations for these agencies total \$609.5 million in All Funds, an increase of \$35.6 million, or 6.2 percent. This increase primarily includes the following changes:

- appropriations for the OCA increased by \$20.6 million, or 9.6 percent, in All Funds, including the following amounts:
  - a net increase of \$34.6 million in All Funds for indigent defense to increase grant funding for counties and to fund indigent legal representation costs related to border security to implement certain provisions of House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021. This increase primarily includes an additional \$29.7 million in General Revenue Funds and \$5.0 million in General Revenue–Dedicated Funds;
  - an increase of \$4.3 million in All Funds from Senate Bill 6, Eighty-seventh Legislature, Second Called Session, 2021. This amount includes \$2.5 million in All Funds, including \$2.0 million in General Revenue–Dedicated Funds and \$0.5 million in General Revenue Funds, to develop a public safety report system that is accessible to officials in each county and municipality, and

provides information for a magistrate to consider before setting bail for certain defendants. It also includes \$1.8 million in General Revenue Funds and 6.0 full-time-equivalent (FTE) positions to implement the provisions of the bill;

- an increase of \$2.8 million in General Revenue Funds for equipment, increased staff functions, and other administrative costs related to border security to implement certain provisions of House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021. During the 2022–23 biennium, OCA will transfer \$0.9 million to the Judiciary Section to fund salaries for visiting judges necessary to process these cases;
- an increase of \$0.8 million in General Revenue Funds to partially restore OCA's 5.0 percent reduction directed by state leadership, which includes \$0.3 million for associate judges and court coordinators to travel to Children's Courts for in-person hearings and \$0.2 million to provide replacement funding for a Domestic Violence Training Attorney;
- a decrease of \$11.3 million in General Revenue Funds for onetime expenses no longer funded in the 2022–23 biennium, including: \$10.6 million in funding associated with the Uniform Case Management System; \$0.3 million related to a Parent Child Relationship Reporting System due to the enactment of Senate Bill 560, Eighty-sixth Legislature, 2019; \$70,000 related to the Texas Commission on Judicial Selection pursuant to House Bill 3040, Eighty-sixth Legislature, 2019; and \$0.3 million in one-time lump sum annual leave payouts;
- a decrease of \$10.8 million in General Revenue–Dedicated Funds due to anticipated reductions in revenue from judicial fees and court costs; and
- appropriations for the Judiciary Section increased by \$14.1 million, or 4.0 percent, in All Funds, including the following amounts:
  - an increase of \$6.7 million in General Revenue Funds to establish seven new district courts during fiscal year 2022 and three during fiscal year 2023; one new probate court in fiscal year 2022; and two new county courts at law in fiscal

year 2022 and three in fiscal year 2023, pursuant to House Bill 3774, Eighty-seventh Legislature, Regular Session, 2021;

- an increase of \$4.6 million in General Revenue Funds for judicial and prosecutor salaries pursuant to the tiered, tenure-based compensation structure established by the Eighty-sixth Legislature, 2019;
- an increase of \$1.4 million in General Revenue Funds for biennialization of court and prosecutor changes pursuant to Senate Bill 891, Eighty-sixth Legislature, 2019, that funds four new district courts, three new statutory county courts, and the addition of one criminal district attorney to the Professional Prosecutors List; and
- an increase of \$1.4 million in All Funds for the Visiting Judge – Regions program to address court case backlogs, including \$0.9 million transferred from OCA and \$0.5 million in additional General Revenue Funds.

### **SENATE BILL 8, THIRD CALLED SESSION, 2021, APPROPRIATIONS**

In addition, and not included in the amounts shown in **Figure 221** and **Figure 222**, are appropriations totaling \$24.1 million in Federal Funds to the OCA, the OCFW, and the Judiciary Section provided by Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, to address the backlog in court cases totaling \$24.1 million, which includes funding from the federal American Rescue Plan Act of 2021, due to a shortfall in court fees. This amount includes funding for the following functions:

- \$16.9 million to the OCA, including \$13.9 million for indigent defense and \$3.0 million to provide information technology support to courts;
- \$7.0 million for the Judiciary Section to pay visiting judges and support staff; and
- \$0.2 million for the OCFW to cover costs related to the COVID-19 pandemic.



## SUPREME COURT OF TEXAS

**PURPOSE:** The Supreme Court of Texas is the court of last resort in civil and juvenile matters. Other responsibilities include original jurisdiction to issue writs, final jurisdiction of the involuntary retirement or removal of judges, promulgating rules and other standards, and regulating the legal profession in Texas.

**ESTABLISHED:** 1845

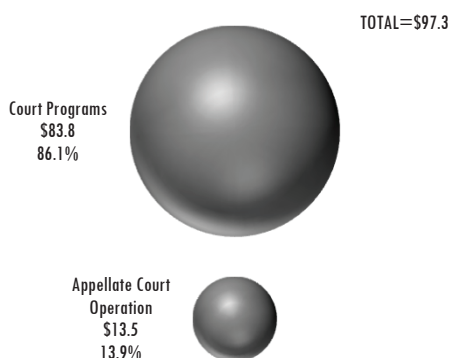
**AUTHORIZING STATUTE:** The Texas Constitution, Article 5, §2

**GOVERNANCE:** One Chief Justice and eight justices elected to staggered six-year terms through statewide elections

**FIGURE 223**  
**SUPREME COURT OF TEXAS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$39.7	\$42.2	\$2.5	6.3%	2022 85.0
General Revenue–Dedicated Funds	\$10.0	\$10.0	\$0.0	0.0%	
Federal Funds	\$4.4	\$4.5	\$0.2	3.5%	2023 85.0
Other Funds	\$100.7	\$40.6	(\$60.2)	(59.7%)	
<b>Total, All Methods of Finance</b>	<b>\$154.8</b>	<b>\$97.3</b>	<b>(\$57.5)</b>	<b>(37.1%)</b>	

### COURT PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Basic Civil Legal Services** appropriations total **\$76.6 million All Funds, a decrease of \$57.2 million**, to provide civil legal services to eligible recipients. This is primarily due to decreases of **\$49.1 million** in civil penalties from the Wells Fargo Settlement that are no longer available and **\$10.6 million** in court costs, penalties, and fee revenue collections resulting from the COVID-19 pandemic.

**Basic Civil Legal Services (BCLS) General Revenue Funds** appropriations total **\$27.3 million** and include **\$20.3 million, an increase of \$1.5 million**, to provide services to indigent clients and **\$7.0 million, an increase of \$1.0 million**, to provide basic civil legal services for veterans and their families. **General Revenue–Dedicated Funds appropriations** total **\$10.0 million** to provide basic civil legal services to victims of sexual assault, which continues 2020–21 biennial spending levels.

Source: Legislative Budget Board.

## MAJOR FUNDING

Funding for the Supreme Court of Texas decreased by \$57.5 million in All Funds compared to 2020–21 biennial spending levels. This amount primarily includes a decrease of \$57.2 million in All Funds for Basic Civil Legal Services that includes the following amounts:

- a \$60.1 million decrease in Other Funds from Judicial Fund No. 573, which includes a decrease of \$49.1 million from onetime civil penalties from the Wells Fargo settlement no longer being available and a decrease of \$11.0 million in court cost, penalty, and fee revenue collections as a result of the COVID-19 pandemic;
- a \$2.5 million increase in General Revenue Funds for providing basic civil legal services to eligible clients, which includes \$1.5 million for indigent clients and \$1.0 million for veterans and their immediate families; and
- a \$0.2 million increase in Federal Funds for the Permanent Judicial Commission for Children, Youth, and Families.

## PROGRAMS

The Supreme Court carries out its responsibilities through two program areas: (1) Appellate Court Operations; and (2) Court Programs.

### APPELLATE COURT OPERATIONS

The Appellate Court Operations program area includes funding for the court's primary function and other responsibilities. These responsibilities include: the promulgation and enforcement of rules of civil procedure and evidence; administrative oversight of the State Bar of Texas; the licensing and supervision of attorneys in Texas; the appointment of members of the Board of Law Examiners; the licensing of attorneys; the supervision of the Office of Court Administration; and the equalization of the 14 Courts of Appeals dockets.

The court is appropriated \$13.5 million in All Funds and 68.0 full-time-equivalent (FTE) positions for Appellate Court Operations. This amount is a \$0.9 million decrease in All Funds, due to \$0.5 million in General Revenue Funds being reallocated to the Judicial Commission on Mental Health in the Court Programs area for the purpose of continuing behavioral health services at 2020–21 spending levels and a \$0.4 million decrease in Judicial Fund No. 573

from reductions in court cost, penalty, and fee revenue collections as a result of the COVID-19 pandemic.

### COURT PROGRAMS

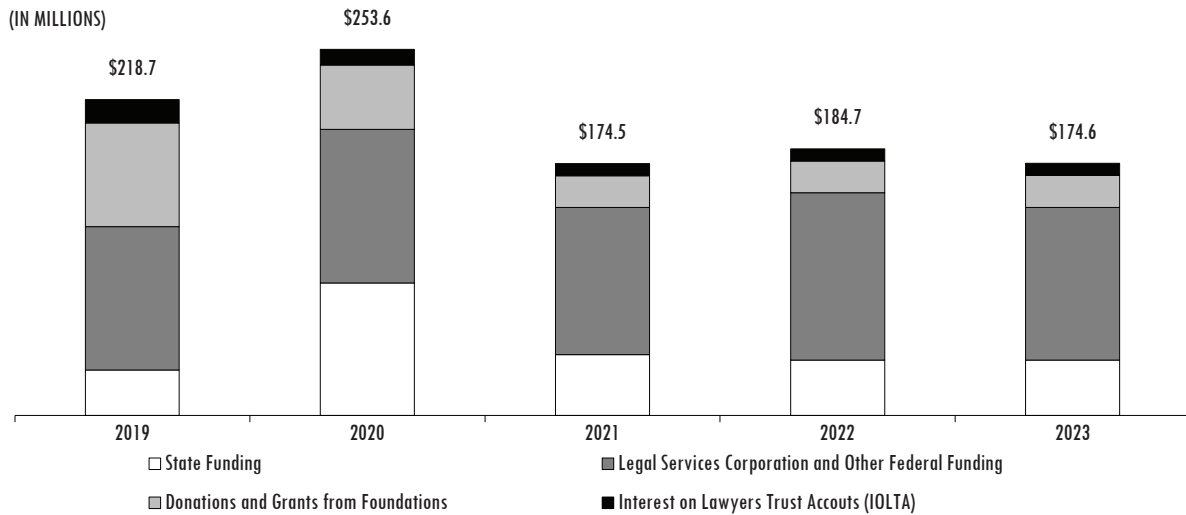
The Court Programs area provides funding for basic civil legal services for indigent clients, the Judicial Commission on Mental Health, multidistrict litigation costs, and the Court Improvement Projects program, which includes the Permanent Judicial Commission for Children, Youth, and Families (Children's Commission).

The Basic Civil Legal Services (BCLS) program provides civil legal services to indigent clients. The Texas Access to Justice Foundation (TAJF) administers the program on behalf of the court. The BCLS program is funded from various sources within and outside of the General Appropriations Act, which include state funds, federal funding, donations or grants from foundations, and other funding sources such as Interest on Lawyers Trust Accounts. TAJF is a nonprofit organization that manages grants to legal aid organizations with these funding sources. Using all sources of funding, Texas legal aid organizations provide legal services to approximately 100,000 people each fiscal year. For the 2022–23 biennium, TAJF estimates that funding will be made available to approximately 30 legal aid providers. **Figure 224** shows annual funding for Basic Civil Legal Services from all these sources of funding from fiscal years 2019 to 2023. State funds represent 21.3 percent of total BCLS funding for the 2022–23 biennium.

The Supreme Court is appropriated \$76.6 million in All Funds for the BCLS program, a decrease from 2020–21 levels of \$57.2 million, or 42.8 percent, which includes an increase of \$2.5 million in General Revenue Funds to provide an additional \$1.5 million for services to indigent clients and \$1.0 million for services to veterans and their families. It also includes a decrease of \$59.7 million from Judicial Fund No. 573 due to \$49.1 million in onetime civil penalties from the Wells Fargo settlement no longer being available and an anticipated decrease of \$10.6 million in court cost, penalty, and fee revenue collections resulting from the COVID-19 pandemic. Total funding includes \$34.3 million in Other Funds from Judicial Fund No. 573, \$27.3 million in General Revenue Funds, \$10.0 million in General Revenue–Dedicated Funds from Account No. 5010, and \$5.0 million in Other Funds from Interagency Contracts. **Figure 225** shows annual BCLS state funding by method of finance from fiscal years 2019 to 2023.

The Children's Commission program supports the strengthening of courts for children, youth, and families in

**FIGURE 224**  
**BASIC CIVIL LEGAL SERVICES FUNDING SOURCES, FISCAL YEARS 2019 TO 2023**

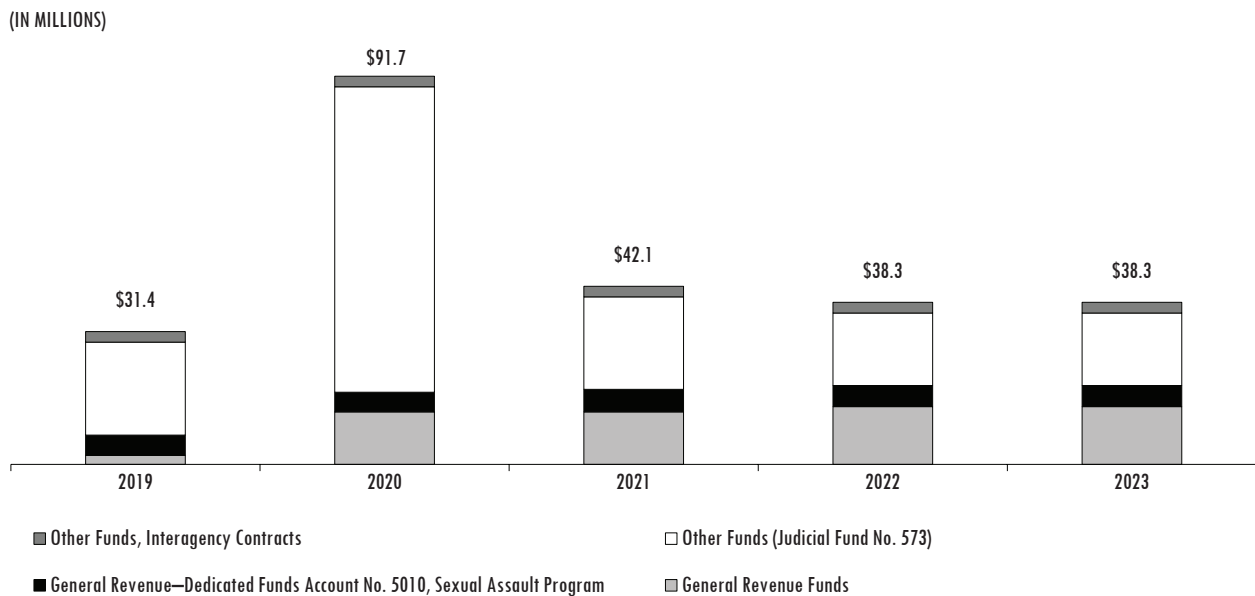


NOTES:

- (1) Amounts shown for fiscal year 2019 are actual; amounts shown for fiscal year 2020 are estimated; and amounts shown for fiscal years 2021 to 2023 are budgeted.
- (2) State funding includes appropriations from General Revenue Funds, General Revenue–Dedicated Funds, and Other Funds (Judicial Fund No. 573 and Interagency Contracts).
- (3) Interest on Lawyers Trust Accounts estimates for fiscal years 2022 and 2023 are based on anticipated rates established by the Federal Reserve.

SOURCES: Legislative Budget Board; Texas Access to Justice Foundation.

**FIGURE 225**  
**BASIC CIVIL LEGAL SERVICES STATE FUNDING SOURCES, FISCAL YEARS 2019 TO 2023**



NOTE: Amounts shown for fiscal year 2019 are actual; amounts shown for fiscal year 2020 are estimated; amounts shown for fiscal years 2021 to 2023 are budgeted.

SOURCE: Legislative Budget Board.

the child protection system through collaborative partnerships and is appropriated \$4.5 million in Federal Funds and 12.0 FTE positions. This amount is an increase of \$0.2 million or 3.5 percent, from 2020–21 biennial spending levels.

The Judicial Commission on Mental Health program develops and coordinates policy initiatives intended to improve the court's interaction with children, adults, and families that have mental health needs through a joint commission of the Supreme Court and the Court of Criminal Appeals. The program is appropriated \$2.5 million in General Revenue Funds and 5.0 FTE positions. This amount includes \$0.5 million in General Revenue Funds reallocated from the Appellate Court Operations program for the purpose of continuing behavioral health services at 2020–21 spending levels.

For the 2022–23 biennium, the court's multidistrict litigation program is appropriated \$0.2 million in General Revenue Funds for grants to trial courts and appellate courts for additional court staff and technology to handle multidistrict litigation cases, such as asbestosis-related and silicosis-related cases. This amount continues 2020–21 biennial spending levels.

Total appropriations for the Court Programs for the 2022–23 biennium include \$83.8 million in All Funds and 17.0 FTE positions.

## COURT OF CRIMINAL APPEALS

**PURPOSE:** The court has statewide final appellate jurisdiction in criminal cases, exclusive jurisdiction in death penalty cases, and the authority to issue writs; promulgates rules of evidence and appellate procedures for criminal cases; and makes grants to training entities that provide judicial education.

**ESTABLISHED:** 1891

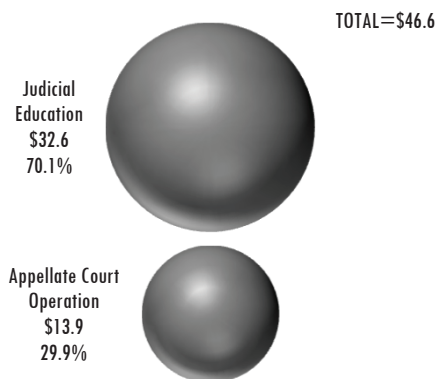
**AUTHORIZING STATUTE:** The Texas Constitution, Article V, §4

**GOVERNANCE:** One Presiding Judge and eight judges elected to staggered six-year terms through statewide elections

**FIGURE 226**  
**COURT OF CRIMINAL APPEALS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$14.0	\$14.1	\$0.1	0.5%	<b>2022</b> 71.0  <b>2023</b> 71.0
General Revenue–Dedicated Funds	\$25.4	\$31.8	\$6.4	25.2%	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$0.7	\$0.7	\$0.0	0.0%	
<b>Total, All Methods of Finance</b>	<b>\$40.1</b>	<b>\$46.6</b>	<b>\$6.5</b>	<b>16.1%</b>	

### COURT PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Judicial Education appropriations total \$32.6 million in All Funds, an increase of \$7.3 million,** to provide grant funding for organizations conducting continuing legal education training. The number of participants anticipated to receive training in judicial education courses is **30,950** in each fiscal year.

Civil filing fee and court cost revenue is expected to increase **Judicial Education appropriations by \$6.4 million in General Revenue–Dedicated Funds.** Expenditures from these funds totaled \$25.4 million during the 2020–21 biennium.

**Judicial Education funding of \$0.9 million in General Revenue Funds** was added for mental health, including education and information to inform judges and court staff about mental healthcare resources (\$0.5 million) and for continuing legal education on mental health issues and pretrial diversion (\$0.4 million).

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Funding for the Court of Criminal Appeals increased by \$6.5 million in All Funds from 2020–21 biennial spending levels, an increase of 16.1 percent. This is primarily attributed to an increase of \$6.4 million, or 25.2 percent, in General Revenue–Dedicated Judicial and Court Personnel Training Fund No. 540 (Account No. 540) appropriations from civil filing fee and court cost revenues.

**PROGRAMS**

The Court of Criminal Appeals carries out its responsibilities through two program areas: (1) Appellate Court Operations; and (2) Judicial Education.

**APPELLATE COURT OPERATIONS**

The Appellate Court Operations program area includes funding for the court’s primary function as the highest state appellate court for criminal cases, for promulgating related rules, and for granting writs of habeas corpus providing relief from final felony convictions. These functions include reviewing appeals submitted to the court for decisions made

by lower courts on criminal cases and requests for further review among some of those appeals. The court produces a written opinion for each appeal it chooses to review.

The court is appropriated \$13.9 million in All Funds and 68.0 full-time-equivalent (FTE) positions for this program area. This amount includes a \$0.1 million increase in General Revenue Funds due to the tiered, tenure-based compensation structure for judicial and prosecutorial salaries established by the Eighty-sixth Legislature, 2019.

**JUDICIAL EDUCATION**

The court administers a grant program to provide continuing legal education and technical assistance for judges, court staff, prosecuting attorneys and their staff, criminal defense attorneys that regularly represent indigent defendants in criminal matters, and to provide innocence training. This function is primarily funded through the collection of court costs in criminal case convictions and civil filing fee revenue. Grant use is monitored and audited by Court of Criminal Appeals staff. **Figure 227** shows grant recipients for fiscal year 2022.

**FIGURE 227**  
**FISCAL YEAR 2022 JUDICIAL EDUCATION GRANT RECIPIENTS, AS OF SEPTEMBER 2021**

RECIPIENT	GRANT PURPOSE
Texas Center for the Judiciary	Training for judges and clerks serving in statutory county, district, and appellate courts
Texas Association of Counties	Training for judges and clerks serving in constitutional county courts, wherein the functions performed by the judge are at least 40.0% judicial functions
Texas Municipal Courts Education Center	Training for judges and clerks serving municipal courts. Of amounts provided, \$550,502 is for the following purposes: <ul style="list-style-type: none"> <li>• a grant to fund a part-time administrative assistant position to support expanding the center’s judicial education services;</li> <li>• direct training costs for clinics for judges and court personnel regarding bail, fines, fees, requests for community service, jail commitments, and jail credit in cases involving indigents; and</li> <li>• development of a mentor program for new municipal court judges and webinars on legislative reform, bail, indigence, compliance, collections improvement programs, alternative sentencing, case flow management, and jail commitments.</li> </ul>
Texas Justice Court Training Center	Training for justices of the peace, clerks, and constables serving justice of the peace courts. Of amounts provided, \$349,229 is to fund 1.0 staff attorney position to support judicial education services and to provide training regarding indigent defendants and mental health.
Texas District and County Attorneys Association	Training for prosecutors, investigators, and other staff representing the government in district-level and county-level trial courts
Texas Criminal Defense Lawyers Association	Training for criminal defense attorneys that regularly represent indigent defendants in criminal matters
Center for American and International Law	Judge, prosecutor, and criminal defense attorney training
Texas District Court Alliance	District clerk and court staff training

SOURCE: Court of Criminal Appeals.

The Judicial Education program area is appropriated \$32.6 million in All Funds and 3.0 FTE positions for the 2022–23 biennium. General Revenue–Dedicated Funds from Account No. 540 contribute 97.3 percent of the appropriations, and General Revenue Funds contribute the remaining 2.7 percent. Appropriations include an increase of \$6.4 million from Account No. 540 from court cost and filing fee revenue to fund court grants to judicial education training entities that offer continuing legal education to judicial and court personnel, offsetting an anticipated decrease of court cost revenues.

General Revenue Funds appropriations total \$0.9 million and include \$0.4 million for the court to contract with statewide professional associations and other entities to provide continuing legal education, courses, and programs for judges and court staff regarding mental health issues and pretrial diversion. It also includes \$0.5 million to maintain, in coordination with the Supreme Court of Texas, a training program to educate and inform judges and their staffs regarding mental healthcare resources available in the state.

## COURTS OF APPEALS

**PURPOSE:** Fourteen intermediate appellate courts have appellate jurisdiction in all criminal and civil cases other than those in which the death penalty has been assessed.

**ESTABLISHED:** 1876 through 1967

**AUTHORIZING STATUTE:** The Texas Government Code, Chapter 22, Subchapter C, and the Texas Constitution, Article 5, §6

**GOVERNANCE:** Each court of appeals has from two to eight justices and one chief justice elected to six-year terms

**FIGURE 228**  
**COURTS OF APPEALS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$80.8	\$80.9	\$0.1	0.2%	<table border="1"> <tr> <td><b>2022</b></td> <td>402.5</td> </tr> <tr> <td><b>2023</b></td> <td>402.5</td> </tr> </table>	<b>2022</b>	402.5	<b>2023</b>	402.5
<b>2022</b>	402.5								
<b>2023</b>	402.5								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$6.1	\$6.0	(\$0.1)	(1.2%)					
<b>Total, All Methods of Finance</b>	<b>\$86.9</b>	<b>\$87.0</b>	<b>\$0.1</b>	<b>0.1%</b>					

### COURT PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENT

Appropriations continue funding at 2020–21 biennial spending levels and provide for **80 justices (14 chief justices and 66 justices) and other necessary staff (402.5 full-time-equivalent positions)** to carry out intermediate appellate court operations.

SOURCE: Legislative Budget Board.



## MAJOR FUNDING

Total appropriations across all 14 Courts of Appeals increased by \$0.1 million in All Funds, or less than 0.1 percent, compared to 2020–21 biennial spending levels. This primarily includes a General Revenue Fund increase for judicial salaries pursuant to legislative changes enacted by the Eighty-sixth Legislature, 2019, which established a tiered, tenure-based compensation structure for the chief justice and justice positions in all 14 Courts of Appeals districts.

## PROGRAMS

The 14 Courts of Appeals exercise intermediate appellate jurisdiction in civil and criminal cases other than those in which the death penalty has been assessed. The courts carry out their responsibilities in separate districts across the state, with one court of appeals in each district, except the First and the Fourteenth courts of appeals, which share a building in Houston and serve the same counties. The other courts are located in Fort Worth (Second), Austin (Third), San Antonio (Fourth), Dallas (Fifth), Texarkana (Sixth), Amarillo (Seventh), El Paso (Eighth), Beaumont (Ninth), Waco (Tenth), Eastland (Eleventh), Tyler (Twelfth), and Corpus Christi–Edinburg (Thirteenth). Eighty justices preside among the 14 courts of appeals; the number of justices at each court is set by statute and varies from three to 13.

Total appropriations for the 14 Courts of Appeals include \$87.0 million in All Funds and 402.5 full-time-equivalent positions for the 2022–23 biennium.

## OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL

**PURPOSE:** To provide resources and support to trial, appellate, and specialty courts, and to regulatory boards and policy-making bodies; and to provide information about the judicial branch to the legislative and executive branches, the judiciary, and the public.

**ESTABLISHED:** 1977

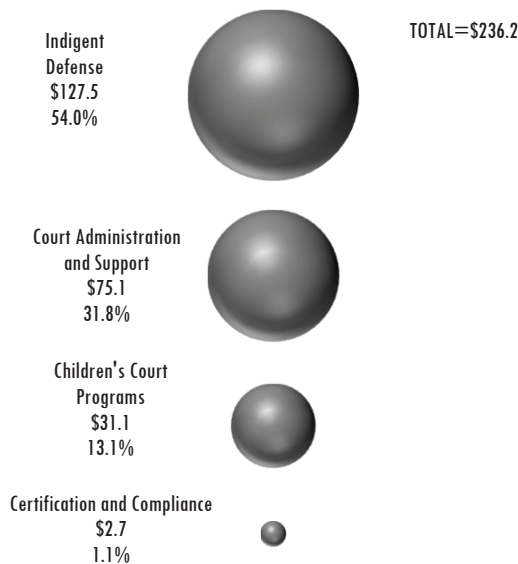
**AUTHORIZING STATUTE:** The Texas Government Code, Chapter 72

**GOVERNANCE:** Directed and supervised by the Supreme Court of Texas and the Chief Justice

**FIGURE 229**  
**OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$51.2	\$75.7	\$24.5	47.8%	<table border="1"> <tr> <td><b>2022</b></td> <td>296.6</td> </tr> <tr> <td><b>2023</b></td> <td>296.6</td> </tr> </table>	<b>2022</b>	296.6	<b>2023</b>	296.6
<b>2022</b>	296.6								
<b>2023</b>	296.6								
General Revenue–Dedicated Funds	\$150.8	\$146.9	(\$3.8)	(2.5%)					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$13.7	\$13.6	(\$0.0)	(0.3%)					
<b>Total, All Methods of Finance</b>	<b>\$215.6</b>	<b>\$236.2</b>	<b>\$20.6</b>	<b>9.6%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Texas Indigent Defense Commission** appropriations include an increase of **\$5.0 million in General Revenue–Dedicated Funds** from Account No. 5073, Fair Defense, to restore the agency's 5.0 percent reduction directed by state leadership and provide additional funding for **indigent defense grants** from 2020–21 biennial appropriated levels.

Appropriations provide **\$32.5 million in General Revenue Funds** and **6.0 full-time-equivalent (FTE) positions**, to implement the provisions of **House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021**, to provide indigent defense services related to border security, equipment, staff, and other administrative costs.

Appropriations provide **\$4.3 million in All Funds** and **6.0 FTE positions** to implement the provisions of **Senate Bill 6, Eighty-seventh Legislature, Second Called Session, 2021**, which requires the development of a public safety report system that would be accessible to officials in each county and municipality, and to inform a magistrate considering bail for certain defendants.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Funding for the Office of Court Administration, Texas Judicial Council (OCA), increased by a net \$20.6 million, or 9.6 percent, in All Funds compared to 2020–21 biennial spending levels, primarily due to the following changes:

- an increase of \$32.5 million in General Revenue Funds to implement the provisions of House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021. This amount includes \$29.7 million to provide indigent defense services related to border security and \$2.8 million for equipment, staff, and other administrative costs to implement the provisions of the legislation;
- an increase of \$5.0 million in General Revenue–Dedicated Funds from Account No. 5073, Fair Defense (Account No. 5073) to restore a 5.0 percent reduction directed by state leadership for the Texas Indigent Defense Commission and provide additional funding for indigent defense grants from 2020–21 biennial appropriated levels;
- an increase of \$4.3 million in All Funds from Senate Bill 6, Eighty-seventh Legislature, Second Called Session, 2021. This amount includes \$2.5 million in All Funds, including \$2.0 million General Revenue–Dedicated Funds from Account No. 5157, Statewide Electronic Filing System (Account No. 5157) and \$0.5 million in General Revenue Funds to develop a public safety report system that would be accessible to officials in each county and municipality and provides information for a magistrate to consider before setting bail. It also includes \$1.8 million in General Revenue Funds and 6.0 full-time-equivalent (FTE) positions to implement the provisions of the legislation;
- an increase of \$0.5 million in General Revenue Funds that partially restores the agency’s 5.0 percent reduction directed by state leadership to hire eight auditors for the Guardianship Abuse, Fraud, and Exploitation Deterrence program to fill positions already included in the agency’s FTE position cap;
- an increase of \$0.3 million in General Revenue Funds that partially restores the agency’s 5.0 percent reduction directed by state leadership for associate judges and court coordinators to travel to children’s courts for in-person hearings;

- an increase of \$0.2 million in General Revenue Funds to provide funding for a Domestic Violence Training Attorney offsetting a similar reduction in Interagency Contracts that previously funded the position;
- a decrease of \$11.3 million in General Revenue Funds for onetime expenses no longer funded in the 2022–23 biennium, including: \$10.6 million in funding associated with the Uniform Case Management System; \$0.3 million related to a Parent Child Relationship Reporting System due to the enactment of Senate Bill 560, Eighty-sixth Legislature, 2019; \$70,000 related to the Texas Commission on Judicial Selection due to the enactment of House Bill 3040, Eighty-sixth Legislature, 2019; and \$0.3 million in onetime lump-sum annual leave payouts; and
- a decrease of \$10.8 million in Account No. 5157 due to anticipated reductions in revenue from judicial fees and court costs. Account No. 5157 is not counted toward budget certification by the Comptroller of Public Accounts.

## PROGRAMS

The agency carries out its responsibilities through four major program areas: (1) indigent defense, (2) court administration and support, (3) children’s court programs, and (4) certification and compliance.

### INDIGENT DEFENSE

The Texas Indigent Defense Commission (TIDC) is a 13-member standing committee of the Texas Judicial Council composed of eight ex officio members, including the Presiding Judge of the Court of Criminal Appeals and the Chief Justice of the Supreme Court of Texas, and five additional members appointed by the Governor. TIDC carries out its responsibilities in the indigent defense program area through four programs that provide financial and technical support to counties to develop and maintain quality, cost-effective indigent defense systems that meet the needs of local communities and the requirements of the constitution and state law.

### TIDC GRANT PROGRAMS

Appropriations for TIDC’s Grant Programs total \$90.5 million from Account No. 5073 for the 2022–23 biennium, an increase of \$4.3 million, or 5.0 percent from 2020–21

biennial spending levels. The increase restores TIDC's 5.0 percent reduction directed by state leadership and provides an additional \$0.5 million in grant funding from 2020–21 biennial spending levels. TIDC provides two types of grants to counties, formula grants and discretionary grants.

TIDC distributes formula grants to all 254 Texas counties to provide constitutionally required indigent defense representation in compliance with the Fair Defense Act (Senate Bill 7, Seventy-seventh Legislature, 2001). Grant allocations consider factors such as county population and the county's portion of statewide expenditures for direct indigent defense during the previous year. Counties may use formula grant funds to pay direct litigation costs on behalf of a criminal defendant or juvenile respondent determined by a court to be indigent, including attorney fees, investigator expenses, expert witness expenses, and other costs. Appropriations for the 2022–23 biennium provide \$41.0 million from Account No. 5073 for formula grants.

TIDC provides discretionary grants to help counties develop new programs or processes to improve indigent defense. These may include funding new public defender offices; new managed assigned counsel systems; mental health, juvenile, or other specialty defender offices; indigent defense coordinators; and other programs that implement cost-containment initiatives designed to limit local indigent defense cost increases. Appropriations for the 2022–23 biennium provide \$49.5 million from Account No. 5073 for discretionary grants.

Not included in the amounts shown in **Figure 229** are appropriations of \$13.9 million in Federal Funds provided by Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, for deposit in the Fair Defense Account No. 5073 to address the backlog in court cases.

#### **BORDER SECURITY**

The Border Security program provides \$32.5 million in General Revenue Funds, and 6.0 FTE positions, to implement the provisions of House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021. This amount includes \$29.7 million to provide indigent defense services including indigent legal representation, foreign language interpreters for courts, and visiting judge costs. It also provides \$2.8 million for equipment, increased staff functions, and other administrative costs to implement the provisions of the bill. During the biennium, the Border Security program will transfer \$0.9 million to

the Comptroller's Department, Judiciary Section to fund salaries for visiting judges necessary to process these cases.

#### **TIDC INNOCENCE PROJECTS**

The Innocence Project program provides \$0.6 million each fiscal year to six state law schools (\$100,000 per school each fiscal year) as grants to authorize students to work with attorneys to review noncapital criminal case convictions, to research claims of actual innocence for wrongfully convicted individuals, and to identify reforms to improve criminal defense practices. The funding provides law students with opportunities to gain practical experience while furthering their education and serving the public interest. These law schools include Texas Tech University, the University of Houston, the University of Texas at Austin, Texas Southern University, the University of North Texas, and Texas A&M University. Appropriations for the program total \$1.2 million from Account No. 5073, which continues 2020–21 biennial spending levels.

#### **TIDC ADMINISTRATION**

TIDC is appropriated \$3.2 million from Account No. 5073 and 15.0 full-time-equivalent (FTE) positions for administration and operation expenses, an increase of \$0.5 million, or 20.2 percent, from 2020–21 biennial spending levels.

Total appropriations for the indigent defense program area include \$127.5 million in All Funds, a net increase of \$37.3 million, or 41.5 percent, from 2020–21 biennial spending levels, and 21.0 FTE positions.

#### **COURT ADMINISTRATION AND SUPPORT**

OCA provides various services and support to Texas courts, state and federal agencies, the Legislature, and the public through seven programs in the court administration and support program area.

#### **STATEWIDE ELECTRONIC FILING SYSTEM**

OCA manages a statewide electronic filing system through a contract with a third-party vendor that manages and operates eFileTexas, the state's electronic filing system manager, to support a Supreme Court of Texas electronic civil filing mandate. The previous contract expired August 31, 2021. A new contract runs through August 31, 2027. Appropriations for the program total \$45.4 million from Account No. 5157, an increase of \$2.7 million, or 6.3 percent, from 2020–21 biennial spending levels.

**UNIFORM CASE MANAGEMENT SYSTEM**

OCA maintains the Uniform Case Management System (UCMS) to provide magistrates immediate access to critical information and expedite the timely reporting of court records for federal firearm background checks. The agency currently has contracts with three vendors, each of which will begin providing services to one county clerk's office before expanding into others. Appropriations total \$4.3 million from Account No. 5157. This is an All Funds decrease of \$24.4 million from 2020–21 biennial spending levels due to initial start-up costs, which include decreases of \$10.9 million from General Revenue Funds and \$13.5 million from Account No. 5157.

**INDIRECT ADMINISTRATION**

The program provides executive, legal, human resource, and information technology support to OCA's staff, courts, and other judicial branch agencies. Appropriations total \$14.0 million in All Funds, including 54.0 FTE positions, which continues 2020–21 biennial spending levels.

Not included in these amounts are appropriations of \$3.0 million in Federal Funds provided by Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, to address the backlog in court cases, including information technology support.

**GUARDIANSHIP COMPLIANCE PROGRAM**

OCA assists courts with reviewing and auditing guardianship filings for the elderly and incapacitated to prevent fraud and abuse. OCA estimates that Texas has more than 41,618 active guardianships and \$4.0 billion in assets under court and guardian control. Appropriations for the program total \$4.5 million in General Revenue Funds, including 27.7 FTE positions, which includes an increase of \$0.5 million, or 13.5 percent, from 2020–21 biennial spending levels to restore the program's 5.0 percent reduction directed by state leadership and fill positions already included in the agency's FTE cap.

**COURT SECURITY AND EMERGENCY PREPAREDNESS**

The program provides support to courts and counties in assessing and improving personal and courthouse security through court security consultation, emergency preparedness training, and the implementation of privacy protections for judges. The agency reported 408 court security incidents from 134 counties during fiscal year 2021. Appropriations total \$0.4 million in General Revenue Funds, including 2.0 FTE positions, which is a 2.0 percent increase from 2020–21 biennial spending levels.

**COURT CONSULTING SERVICES**

OCA provides technical assistance and training to courts on a range of court administration topics such as evaluating and implementing case management, administrative programs, and advising jury management. OCA anticipates providing 238 educational presentations to various external groups on topics in court administration during the 2022–23 biennium. Appropriations for the program total \$2.2 million in All Funds, and 17.0 FTE positions. This amount represents a decrease of \$0.1 million, or 3.0 percent, from 2020–21 biennial spending levels.

**BAIL REFORM**

The Bail Reform program provides \$4.3 million in All Funds to implement provisions of Senate Bill 6, Eighty-seventh Legislature, Second Called Session, 2021. This amount includes \$2.5 million in All Funds, including \$2.0 million from Account No. 5157 and \$0.5 million in General Revenue Funds, to develop a public safety report system that is accessible to officials in each county and municipality, and provides information for a magistrate to consider before setting bail for certain defendants. It also includes \$1.8 million in General Revenue Funds and 6.0 FTE positions to develop training for magistrates with respect to public reports and setting bail, develop procedures and forms required by the bill, and report specific information required by the bill.

Total appropriations for the court administration and support program area include \$75.1 million in All Funds, a net decrease of \$17.0 million, or 18.4 percent, from 2020–21 biennial spending levels, and 107.7 FTE positions.

**CHILDREN'S COURTS PROGRAMS**

The children's courts program area includes the Child Protection Courts program, Child Support Courts program, and the Court Improvement Program Technology Project program, which fund the operation and maintenance of these courts and provide case management and videoconferencing support.

**CHILD SUPPORT COURTS**

OCA is authorized to employ associate judges, which are appointed by presiding judges of the administrative judicial regions, to hear child support enforcement cases within expedited timeframes set by federal requirements. The agency maintains 43 child support courts located across the state. Appropriations for the program total \$17.5 million in All Funds, an increase of 0.5 percent from 2020–21 biennial

spending levels, and 85.7 FTE positions. This amount incorporates \$5.8 million in General Revenue Funds, which includes \$0.1 million to partially restore the agency's 5.0 percent reduction directed by state leadership for associate judges and court coordinators to travel to Child Support Courts for in-person hearings. Appropriations also include \$11.8 million from an Interagency Contract with the Office of the Attorney General to obtain Federal Funds pursuant to the U.S. Social Security Act, Title IV, Part D. These pass-through Federal Funds are used to pay associate judge salaries and program operating expenses.

#### **CHILD PROTECTION COURTS**

OCA's child protection courts reduce the time children spend in temporary foster care by expediting the judicial administration of child abuse, neglect, and adoption cases. The agency maintains 30 child protection courts located across the state. Appropriations for the child protection courts program total \$13.1 million in All Funds, an increase of \$0.1 million, or 1.1 percent from 2020–21 biennial spending levels, and 66.2 FTE positions. This amount includes \$0.2 million to partially restore the agency's 5.0 percent reduction directed by state leadership for associate judges and court coordinators to travel to Child Protection Courts for in-person hearings.

#### **COURT IMPROVEMENT PROGRAM TECHNOLOGY PROJECT**

OCA is responsible for providing case management and videoconferencing assistance to the child protection courts through the Court Improvement Program Technology Project program. Appropriations total \$0.4 million in Other Funds through Interagency Contracts, an increase of \$6,162, or 1.5 percent, from 2020–21 biennial spending levels.

Not included in the amounts shown in **Figure 229** are appropriations of \$3.0 million in Federal Funds provided by Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, to address the backlog in court cases, including information technology support.

#### **CERTIFICATION AND COMPLIANCE**

##### **TEXAS FORENSIC SCIENCE COMMISSION**

The Texas Forensic Science Commission (TFSC) is administratively attached to OCA. TFSC investigates allegations of professional negligence or professional misconduct that could affect the integrity of the results of a forensic analysis conducted by an accredited laboratory.

Appropriations total \$1.4 million in All Funds and 5.0 FTE positions. This amount includes \$1.1 million in General Revenue Funds and \$0.3 million from Account No. 5173, from fees collected from the issuance and renewal of forensic analyst licenses. These amounts continue 2020–21 biennial spending levels.

##### **JUDICIAL BRANCH CERTIFICATION COMMISSION**

OCA oversees the certification, registration, and licensing of court reporters and court reporting firms, guardians and guardianship programs, process servers, and licensed court interpreters through the Judicial Branch Certification Commission (JBCC) program in the certification and compliance program area. JBCC includes nine members appointed by the Supreme Court of Texas that serve staggered terms and are advised by four boards, one for each of the four types of certifications that JBCC oversees. OCA staff provide administrative support for JBCC. Appropriations total \$1.3 million in All Funds, including \$1.2 million in General Revenue Funds, and 9.0 FTE positions. These amounts continue 2020–21 biennial spending levels.

Appropriations for the certification and compliance program area total \$2.7 million in All Funds, including 14.0 FTE positions.

#### **SIGNIFICANT LEGISLATION**

**House Bill 9, Second Called Session, 2021 – Border security.** This legislation made supplemental appropriations related to border security in General Revenue Funds to provide indigent defense services including indigent legal representation, foreign language interpreters for courts, visiting judge costs, equipment, increased staff functions, and other administrative costs.

**Senate Bill 6, Second Called Session, 2021 – Bail reform.** This legislation requires OCA to develop a public safety report system that is accessible to officials in each county and municipality, and which provides information for a magistrate to consider before setting bail for certain defendants. It also requires OCA to develop training for magistrates with respect to public reports and setting bail, develop procedures and forms required by the bill, and report specific information.

## OFFICE OF CAPITAL AND FORENSIC WRITS

**PURPOSE:** To provide quality legal representation for indigent death row inmates in post-conviction writs of habeas corpus and related proceedings, and in forensic writs for noncapital cases.

**ESTABLISHED:** 2009

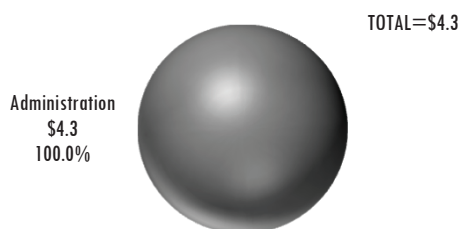
**AUTHORIZING STATUTE:** The Texas Government Code, Chapter 78

**GOVERNANCE:** The Court of Criminal Appeals appoints a director to supervise office operations based on recommendations from a committee composed of judges and attorneys appointed by the State Bar of Texas

**FIGURE 230**  
**OFFICE OF CAPITAL AND FORENSIC WRITS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A	
General Revenue–Dedicated Funds	\$3.5	\$4.3	\$0.8	22.0%	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	2022 20.5
Other Funds	\$0.0	\$0.0	\$0.0	N/A	
<b>Total, All Methods of Finance</b>	<b>\$3.5</b>	<b>\$4.3</b>	<b>\$0.8</b>	<b>22.0%</b>	<b>2023 20.5</b>

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENT

Administration appropriations increased by \$0.8 million to fund agency operations at 2020–21 biennial appropriated levels with additional funding to provide salaries for 12 attorneys and six mitigation specialists at more competitive levels.

Source: Legislative Budget Board.

## MAJOR FUNDING

Appropriations to the Office of Capital and Forensic Writs (OCFW) for the 2022–23 biennium increased by \$0.8 million in General Revenue–Dedicated Funds from Account No. 5073, Fair Defense (Account No. 5073), or 22.0 percent, from 2020–21 biennial spending levels. This amount includes the following increases:

- \$0.2 million to provide funding at 2020–21 biennial appropriated levels;
- \$0.5 million to provide an average salary of \$95,000 each year for 12 attorney positions; and
- \$0.1 million to provide an average salary of \$66,500 each year for six mitigation specialist positions.

## PROGRAMS

OCFW carries out its responsibilities to provide legal representation for indigent death row inmates in post-conviction habeas corpus proceedings through its Post-Conviction Capital Representation program. A writ of habeas corpus provides new evidence that either may prove an inmate's innocence, mitigating circumstances, or a violation of an individual's constitutional rights during trial proceedings. OCFW develops these writs and files them in the original convicting court, which must address the writ. OCFW staff investigators work with the agency's staff attorneys to identify any potential new evidence that can be included within the appeal. The convicting trial court may grant OCFW an evidentiary hearing. This hearing provides OCFW the opportunity to present new information that the court may not have considered at the trial-court level. These proceedings, any answers or motions filed, exhibits introduced, and findings of fact and conclusions of law that are proposed by counsel and entered by the court are transmitted to the Court of Criminal Appeals for review. Appropriations for these purposes total \$3.7 million from Account No. 5073 with 18.5 full-time-equivalent (FTE) positions. This amount includes \$0.5 million to continue program funding at 2020–21 biennial appropriated levels, with additional funding to provide an average salary of \$95,000 per year for 10 attorney positions and to provide an average salary of \$66,500 per year for six mitigation specialist positions. The agency anticipates accepting four new capital cases, filing six writ applications, and that trial courts may grant 14 hearings for writ applications each fiscal year.

Not included in the amounts shown in **Figure 230** are appropriations of \$0.2 million in Federal Funds provided

by Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, to address the backlog in court cases and pay costs related to the COVID-19 pandemic.

In addition, OCFW represents certain noncapital inmates in cases involving questionable forensic science through its Post-Conviction Non-Capital Representation program. The Forensic Science Commission refers cases to OCFW following an investigation into negligence or misconduct of forensic analysts or unsupported forensic scientific analysis and testimony. Appropriations provide \$0.6 million in General Revenue–Dedicated Funds from Account No. 5073 and 2.0 FTE attorney positions for this purpose. This amount includes \$0.1 million to continue program funding at 2020–21 biennial appropriated levels with additional funding to provide an average salary of \$95,000 for two attorneys. The agency anticipates that three new noncapital cases will be accepted for fiscal year 2022 and four new cases for fiscal year 2023.



## OFFICE OF THE STATE PROSECUTING ATTORNEY

**PURPOSE:** The Office of the State Prosecuting Attorney (OSPA) represents the state in all proceedings conducted by the Court of Criminal Appeals. OSPA may also represent the state in any stage of a criminal case presented to a Court of Appeals if considered necessary for the interest of the state, and it may assist or be assisted by a district or county attorney in representing the state to a Court of Appeals.

**ESTABLISHED:** 1923

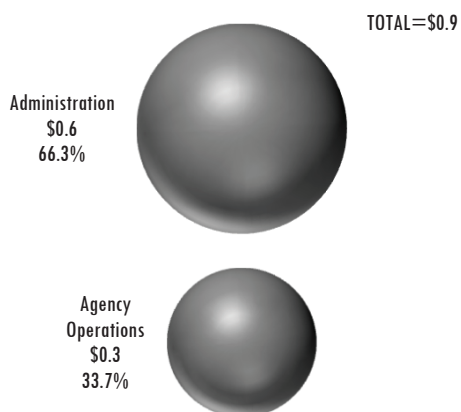
**AUTHORIZING STATUTE:** The Texas Government Code, Chapter 42

**GOVERNANCE:** Appointed by the Court of Criminal Appeals

**FIGURE 231**  
**OFFICE OF THE STATE PROSECUTING ATTORNEY BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$0.9	\$0.9	\$0.0	2.4%	<table border="1"> <tr> <td>2022</td> <td>4.0</td> </tr> <tr> <td>2023</td> <td>4.0</td> </tr> </table>	2022	4.0	2023	4.0
2022	4.0								
2023	4.0								
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)	(8.2%)					
<b>Total, All Methods of Finance</b>	<b>\$0.9</b>	<b>\$0.9</b>	<b>\$0.0</b>	<b>1.8%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENT

OSPA anticipates that **17 petitions for discretionary review** will be granted by the Court of Criminal Appeals during each fiscal year of the 2022–23 biennium.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

All Funds appropriations for the Office of the State Prosecuting Attorney (OSPA) increased by \$16,610, or 1.8 percent from 2020–21 biennial spending levels. This increase is due primarily to an increase of \$20,610 in General Revenue Funds for the state prosecuting attorney’s salary pursuant to the tiered, tenure-based compensation structure for judicial and prosecutorial salaries established by the Eighty-sixth Legislature, 2019.

**PROGRAMS**

OSPA carries out its responsibilities by representing the state in all proceedings conducted by the Court of Criminal Appeals (CCA). The office also may represent the state in any stage of a criminal case presented to a state court of appeals if considered necessary for the state’s interest. This representation can include the filing of petitions for discretionary review in CCA when the state seeks review of a decision of one of the 14 Courts of Appeals in a criminal case. This petition challenges a Court of Appeals decision, and CCA has discretion to grant or deny the appeal. If granted, CCA will order the state and defendant to file briefs and may grant oral argument. CCA then issues a written opinion that either affirms or reverses the lower court’s opinion.

The agency also functions as the primary source of guidance and assistance for many local prosecutors. To that end, the state prosecuting attorney and assistant state prosecuting attorneys are required to remain updated regarding criminal law issues and to review opinions from Texas appellate courts that reverse criminal convictions or modify trial courts’ judgments. The agency may submit petitions, briefs, and oral argument in cases considered to be of the greatest importance to the state’s criminal jurisprudence. OSPA also can become involved in local and county cases as necessary to advance the state’s interests.

## STATE LAW LIBRARY

**PURPOSE:** Maintains a legal reference facility for use by the Supreme Court of Texas, the Court of Criminal Appeals, the Office of the Attorney General, other state agencies, and Texas residents.

**ESTABLISHED:** 1971

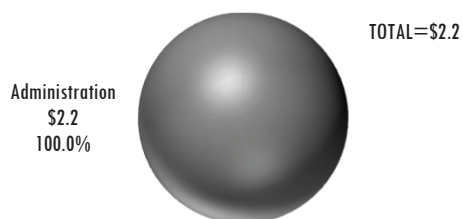
**AUTHORIZING STATUTE:** The Texas Government Code, Chapter 91

**GOVERNANCE:** Board composed of representatives for the Chief Justice of the Supreme Court, the Presiding Judge of the Court of Criminal Appeals, and the Attorney General

**FIGURE 232**  
**STATE LAW LIBRARY BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$2.1	\$2.2	\$0.1	2.8%	2022 12.0
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	2023 12.0
Other Funds	\$0.0	\$0.0	(\$0.0)	(33.6%)	
<b>Total, All Methods of Finance</b>	<b>\$2.1</b>	<b>\$2.2</b>	<b>\$0.1</b>	<b>2.4%</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENT

Funding for **print and digital legal reference materials totals \$0.8 million in General Revenue Funds, an increase of \$121,494, or 17.8 percent, from 2020–21 biennial spending levels.**

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Total appropriations for the State Law Library increased by \$50,806 in All Funds, or 2.4 percent, from 2020–21 biennial spending levels. This amount includes a General Revenue Funds increase of \$58,398 to maintain and expand the library's subscriptions to digital services, offset by a decrease of \$7,592 in Other Funds due to reductions of checkout and overdue fees that could not be collected during the pandemic and anticipated reductions of gifts, grants, and donations.

## PROGRAMS

The State Law Library's administration program area includes the following responsibilities: (1) collection management; (2) maintaining the judicial collection; (3) providing reference services for library patrons; (4) providing reference services for incarcerated offenders within the Texas Department of Criminal Justice and their families; and (5) providing virtual legal resources to remote users.

The library's collection includes more than 100,000 items of primary and secondary source material on Texas law, information on Texas legal history, federal primary source materials, major law reviews, treatises and monographs on general law, and selected federal publications. In addition, the library purchases, distributes, and maintains a judicial collection ordered and used for the judges and staff of the Court of Criminal Appeals and the Supreme Court of Texas. The library updates these collections and addresses any library-related issues that court staff may have.

Library staff assist library visitors with locating legal reference materials and answer questions via phone, email, and postal mail. In addition, library staff maintain topical guides regarding specific sections of the law, maintain and enhance the library's website, and provide training for library patrons on conducting legal research. The library also provides incarcerated offenders within the Texas Department of Criminal Justice and their families with reference and copy services for fees. This service includes providing copies of case files, answering basic legal reference questions, and providing copies of case law, law review articles, historical statutes, and other legal reference material.

Since fiscal year 2014, the library has provided remote access service to its legal databases, electronic books, digitized historical statutes, and the topical research guides maintained by library staff. The agency reports that registrants for these digital resources represent 239 of the 254 Texas counties. The agency also reports that it added 9,869 new remote registrants

during the 2020–21 biennium, and that internet traffic to its topical research guides increased more than 200.0 percent between the onset of the COVID-19 pandemic and the end of the 2020–21 biennium.

## STATE COMMISSION ON JUDICIAL CONDUCT

**PURPOSE:** To investigate judicial misconduct or judicial incapacity and, if necessary, take appropriate action including discipline, education, censure, or the filing of formal procedures that could result in removal from office.

**ESTABLISHED:** 1965

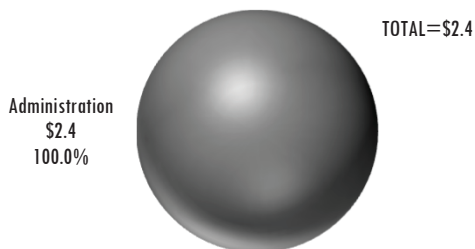
**AUTHORIZING STATUTE:** The Texas Constitution, Article 5, §1-a; the Texas Government Code, Chapter 33

**GOVERNANCE:** 13-member commission appointed by the Supreme Court of Texas, State Bar of Texas, and the Governor

**FIGURE 233**  
**STATE COMMISSION ON JUDICIAL CONDUCT BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$2.4	\$2.4	\$0.1	2.5%	<table border="1"> <tr> <td><b>2022</b></td> <td>14.0</td> </tr> <tr> <td><b>2023</b></td> <td>14.0</td> </tr> </table>	<b>2022</b>	14.0	<b>2023</b>	14.0
<b>2022</b>	14.0								
<b>2023</b>	14.0								
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					
<b>Total, All Methods of Finance</b>	<b>\$2.4</b>	<b>\$2.4</b>	<b>\$0.1</b>	<b>2.5%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENT

The **State Commission on Judicial Conduct** anticipates that it will **dispose of 3,684 cases** alleging judicial misconduct or incapacity during the 2022–23 biennium.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Appropriations to the State Commission on Judicial Conduct (SCJC) increased by \$60,000 in General Revenue Funds, or 2.5 percent, from 2020–21 biennial spending levels. This increase provides for the filling of a vacant attorney position to continue staffing levels at 2020–21 biennial appropriated levels.

**PROGRAMS**

The SCJC administration program enforces the Code of Judicial Conduct promulgated by the Supreme Court of Texas by considering allegations of judicial misconduct or incapacity from the public, which could lead to investigation by SCJC staff. After an investigation, SCJC can dismiss the complaint or issue an order of additional education, suspension, or private or public sanction; or the judge may resign in lieu of disciplinary action. The judge may appeal any of these decisions to a panel of three appellate judges, known as a special court of review, which will preside over a trial that is open to the public.

SCJC may initiate either informal or formal proceedings, the latter of which includes the filing of a formal charge against the judge. In the event of formal proceedings, all filings and proceedings in the case become public. After the notice of formal charges, a fact-finding hearing is conducted by either SCJC or a special master appointed by the Supreme Court.

After a public trial or formal hearing, the special master reports findings of fact to SCJC, which then votes for dismissal or public censure, or recommends removal or involuntary retirement to the Supreme Court. The judge that receives a public censure can appeal this decision to a special court of review, which may move for dismissal, affirm the SCJC's decision, or move for formal proceedings.

## JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT

**PURPOSE:** The Judiciary Section of the Comptroller's Department (Texas Comptroller of Public Accounts) manages judicial branch expenditures required by statute, including compensation and payments to district judges, county-level judges, and local prosecutors, including the Special Prosecution Unit headquartered in Walker County. Special programs include reimbursements to counties for juror pay and certain witness expenses.

**ESTABLISHED:** 1835

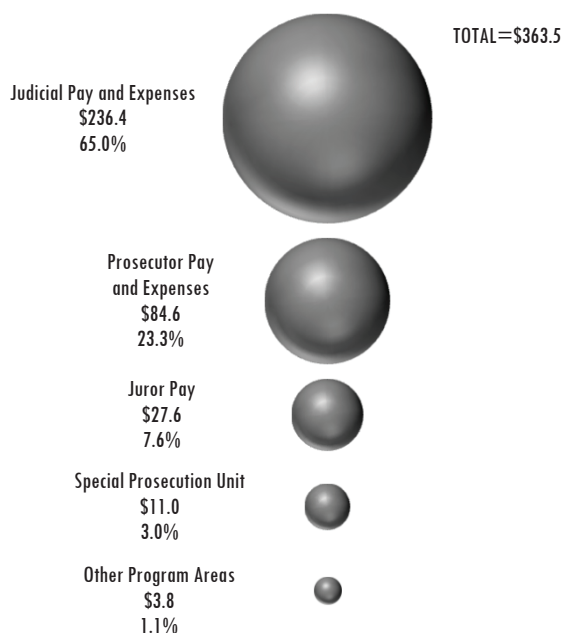
**AUTHORIZING STATUTE:** Various chapters of the Texas Government Code and the Texas Code of Criminal Procedure

**GOVERNANCE:** Appropriations at the Comptroller of Public Accounts fund the direct costs of administering judicial branch payments

**FIGURE 234**  
**JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020-21	APPROPRIATED 2022-23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$223.2	\$233.7	\$10.6	4.7%	<b>2022</b> 652.2  <b>2023</b> 654.8
General Revenue-Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$126.2	\$129.8	\$3.5	2.8%	
<b>Total, All Methods of Finance</b>	<b>\$349.4</b>	<b>\$363.5</b>	<b>\$14.1</b>	<b>4.0%</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations include **\$6.7 million in General Revenue Funds** for the establishment of 10 new district courts, five new statutory county courts, and one new statutory probate court during the 2022-23 biennium, pursuant to **House Bill 3774**, Eighty-seventh Legislature, Regular Session, 2021.

Appropriations include **\$11.1 million in All Funds** for the **Visiting Judge – Regions program**, an **increase of \$1.4 million** from 2020-21 biennial spending levels, to address district court case backlogs resulting from the COVID-19 pandemic.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Appropriations for the Judiciary Section, Comptroller's Department, increased by a net \$14.1 million, or 4.0 percent, in All Funds compared to 2020–21 biennial spending levels due to the following changes:

- an increase of \$6.7 million in General Revenue Funds for the establishment of 10 new district courts, five new statutory county courts, and one new statutory probate court during the 2022–23 biennium, pursuant to House Bill 3774, Eighty-seventh Legislature, Regular Session, 2021;
- an increase of \$4.6 million in General Revenue Funds for judicial and prosecutor salaries pursuant to the tiered, tenure-based compensation structure established by the Eighty-sixth Legislature, 2019;
- an increase of \$1.4 million in General Revenue Funds for biennialization of court and prosecutor changes pursuant to Senate Bill 891, Eighty-sixth Legislature, 2019, that includes four new district courts, three new statutory county courts, and one additional criminal district attorney on the Professional Prosecutors List;
- an increase of \$1.4 million in All Funds for the Visiting Judge – Regions program to address court case backlogs, including \$0.9 million transferred from the Office of the Court Administration and \$0.5 million in General Revenue Funds;
- an increase of \$0.6 million in General Revenue Funds to offset anticipated revenue decreases to Assistance Prosecutor Supplement Fund No. 303 of the same amount; and
- a decrease of \$3.2 million in onetime General Revenue Funds used to cover revenue shortfalls in Jury Service Fund No. 328 in the 2020–21 biennium, offset by an equivalent increase from Jury Service Fund No. 328 due to additional revenues anticipated to be collected during the 2022–23 biennium.

## PROGRAMS

The Judiciary Section receives appropriations for five program areas: (1) judicial pay and expenses; (2) prosecutor pay and expenses; (3) reimbursements to counties for juror pay; (4) pass-through grants to the Special Prosecution Unit, headquartered in Walker County; and (5) other program areas.

Appropriations for the Judiciary Section include \$129.8 million in Other Funds, or 35.7 percent of total appropriations, which support most programs. Revenue from the Judicial Fund No. 573 (Other Funds) of \$92.4 million, composed mainly of criminal court costs and civil filing fees, provides a portion of the funding for district judge, statutory county judge, and prosecutor salaries and salary supplements.

### JUDICIAL PAY AND EXPENSES

The responsibilities of the Judicial Pay and Expenses program area are carried out through 11 programs that provide salaries and payments to district and visiting judges and salary supplement payments to constitutional, statutory county, and statutory probate judges.

### DISTRICT JUDGES

District courts serve as the primary trial courts in the state, handling civil and criminal cases. Funding for district court judges totals \$161.9 million in All Funds, distributed among three programs. The District Judges Salaries program funding totals \$160.9 million in All Funds, an increase of \$6.6 million, or 4.3 percent, of which \$2.3 million implements the provisions of House Bill 3774, Eighty-seventh Legislature, Regular Session, 2021, which establishes 10 additional district courts during the 2022–23 biennium; \$3.4 million is for estimated increases in judicial salaries pursuant to the tiered, tenure-based compensation structure established by the Eighty-sixth Legislature, 2019; and \$0.9 million in General Revenue Funds is to fully fund courts established during the 2020–21 biennium.

The District Judges – Travel program provides for the payment of the expenses of district judges while they are performing their duties in a county other than their county of residence. Funding totals \$0.6 million in All Funds, which continues 2020–21 biennial expenditure levels. The Judicial Salary Per Diem program provides for the payment of a per diem for active, retired, and former district judges and statutory county court at law judges serving on assignment, and for active and retired appellate justices when holding court outside of their district or county when assigned. Funding totals \$0.4 million in All Funds, which also continues 2020–21 biennial expenditure levels.

### COUNTY JUDGES

Funding for county-level judges is provided through three programs totaling \$61.0 million in All Funds. County judges receive salary supplements through the Statutory County



Judge Supplement, Statutory Probate Judge Supplement, and Constitutional County Judge Supplement programs. The state salary supplement for the judges of the 274 statutory county and statutory probate courts in operation as of September 1, 2021, is \$84,000 through appropriations totaling \$47.6 million in All Funds. Funding for the Statutory County Judge Supplement program totals \$42.9 million in All Funds and funding for the Statutory Probate Judge Supplement totals \$4.7 million in All Funds, an increase of \$2.4 million to implement the provisions of House Bill 3774, Eighty-seventh Legislature, Regular Session, 2021, which establishes a new statutory probate court and five new statutory county courts during the 2022–23 biennium.

The state provides an annual salary supplement of \$25,200 to a constitutional county judge if at least 40.0 percent of the functions that the judge performs are judicial functions through appropriations for the Constitutional County Judge Supplement program totaling \$13.4 million in All Funds, which includes an increase of \$1.9 million from the 2020–21 biennial spending level to fund provisions of House Bill 3774, Eighty-seventh Legislature, Regular Session, 2021.

#### *VISITING JUDGES*

Funding for visiting judges is provided through two programs totaling \$12.7 million in All Funds. The Visiting Judge – Appellate and Visiting Judge – Regions programs provide funding for the assignment of visiting judges at the trial and appellate court levels by the presiding judges of the administrative judicial regions. Visiting Judge – Appellate program appropriations total \$0.7 million in All Funds. Visiting Judge – Regions program appropriations total \$12.0 million in All Funds, an increase of \$1.4 million to address district court case backlogs resulting from the pandemic, which includes \$0.9 million appropriated to the Office of Court Administration for transfer to the Judiciary Section to address a backlog in court cases resulting from the pandemic pursuant to enactment of House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021. Visiting judges serving in district and appellate courts are compensated at 100.0 percent of the salary of an active district judge or appellate justice.

Not included in the amounts shown in **Figure 234** are appropriations of \$7.0 million to the Judiciary Section provided by Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, which includes funding from the federal American Rescue Plan Act of 2021, for visiting judges and support staff.

#### *OTHER JUDICIAL PAY AND EXPENSES*

Funding for the three remaining programs that provide for judicial pay and expenses total \$0.8 million in All Funds, which continues funding at the 2020–21 biennial spending levels. Multi District Litigation Judges Salary and Benefits program appropriations total \$0.3 million in General Revenue Funds to provide for the payment of salaries, salary supplements, and benefits for active and retired judges assigned to multidistrict courts. Appropriations for the 1st Multicounty Court at Law totals \$0.3 million in Other Funds from the Judicial Fund No. 573 to provide payments to Fisher and Nolan counties. Finally, appropriations for the Local Administrative Judge Supplement program total \$0.2 million in General Revenue Funds for the payment of state salary supplements to local administrative judges serving in counties with more than five district courts.

Appropriations for the Judicial Pay and Expenses program area total \$236.4 million in All Funds, an increase of \$12.6 million, or 5.6 percent, from 2020–21 biennial spending levels, including 480.2 full-time-equivalent (FTE) positions.

#### *PROSECUTOR PAY AND EXPENSES*

The responsibilities of the Prosecutor Pay and Expenses program area are carried out through eight programs that fund salaries and salary supplements for positions linked to the state base salary of a district judge by statute: professional prosecutors, which include 159 district attorneys, criminal district attorneys, county attorneys prohibited from the private practice of law, and five prosecutors permitted to engage in private practice; and for salary supplements paid to 215 constitutional county attorneys.

#### *PROFESSIONAL PROSECUTOR SALARIES*

Funding for prosecutor salaries is provided through four programs totaling \$53.0 million in All Funds, which includes an increase of \$1.4 million, or 2.9 percent, from 2020–21 biennial expenditure levels.

The District Attorney: Salaries program provides salary payments to district attorneys permitted to engage in the private practice of law. Funding totals \$1.7 million in All Funds, which includes an increase of \$50,868 for estimated prosecutor compensation obligations. The Professional Prosecutors: Salaries program provides salary payments to district attorneys included in the Professional Prosecutors Act. Funding totals \$50.3 million in All Funds, which is \$1.4 million greater than 2020–21 biennial expenditure levels due to a \$1.2 million increase for estimated prosecutor

salaries pursuant to the tiered, tenure-based compensation structure established by the Eighty-sixth Legislature, 2019; and \$0.2 million to meet biennial costs for adding the Medina County Criminal District Attorney to the Professional Prosecutors List pursuant to Senate Bill 891, Eighty-sixth Legislature, 2019.

The Felony Prosecutors: Salaries program provides salary payments to select criminal district attorneys and to two county attorneys that perform the duties of a district attorney. Funding totals \$0.8 million in All Funds, which is \$44,258 greater than 2020–21 biennial expenditure levels for estimated prosecutor compensation obligations. The Prosecutors: Subchapter C program provides an apportionment of funds for prosecution in certain eligible counties where a district attorney is not receiving a state salary (Harris County). Funding totals \$0.3 million in All Funds, a decrease of \$12,770, which is equivalent to 5.0 percent of the 2020–21 biennial spending levels.

#### **FELONY PROSECUTOR TRAVEL AND OFFICE APPORTIONMENTS**

The Felony Prosecutors: Travel program provides funding for prosecuting attorneys engaged in official duties in a county other than the prosecutor's county of residence for the payment of travel and other necessary expenses. Funding totals \$0.3 million in All Funds, including a decrease of \$16,758, which is equivalent to 5.0 percent of the 2020–21 biennial spending levels.

The Felony Prosecutors: Expenses program provides funding for the reimbursement of authorized expenses that a professional prosecutor incurs in the discharge of their official duties. This funding includes salaries of assistant district attorneys, investigators, and secretarial help, supplies, and expenses, with payment amounts that vary by district population as established in the Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium. The GAA provides \$22,500 per office for felony prosecutors serving districts with populations of more than 50,000; \$27,500 for felony prosecutors serving districts with populations of less than 50,000; and, \$11,083 for the Harris County District Attorney. Funding totals \$8.3 million in All Funds, which continues 2020–21 biennial spending levels.

#### **COUNTY ATTORNEY SUPPLEMENTS**

The County Attorney Supplement program provides funding for a salary supplement to constitutional county

attorneys that do not have general felony jurisdiction and that are not state prosecutors, pursuant to the Texas Government Code, Chapter 46, the Professional Prosecutors Act. County attorneys are authorized to receive a supplement based upon one-half the state base salary of a district judge divided by the number of counties within the jurisdiction of a state prosecutor serving the county, but in an amount not less than one-sixth of a district judge's state base salary. Funding totals \$13.6 million in General Revenue Funds, which continues 2020–21 biennial spending levels.

#### **ASSISTANT STATE PROSECUTOR LONGEVITY PAY**

The Assistant Prosecutor Longevity Pay program provides assistant state prosecutors with longevity pay of \$20 per month for each year of lifetime service credit up to \$5,000 annually. Funding totals \$9.4 million in All Funds, which is similar to 2020–21 biennial spending levels; however, funding includes an increase of \$0.6 million in General Revenue Funds to offset an anticipated shortfall of \$0.6 million in Other Funds from Assistant State Prosecutor Fund No. 303 for longevity pay made to current eligible and anticipated assistant district attorneys.

Appropriations for the Prosecutor Pay and Expenses program area total \$84.6 million in All Funds, an increase of \$1.5 million, or 1.8 percent, from 2020–21 biennial spending levels, including 164.0 FTE positions.

#### **JUROR PAY**

The Juror Pay program provides funding to meet legal requirements that counties pay jurors \$40 or more per day after the first day of service, and the state reimburses counties for \$34 of the amount. Funding for the Juror Pay program area totals \$27.6 million, which continues the 2020–21 biennial spending level. This includes an increase in Jury Service Fund No. 328 funding of \$3.2 million due to anticipated increases in revenues to this account that are offset by an equivalent decrease in General Revenue funds. The state contribution toward juror pay is funded from revenues generated by a court cost charged upon conviction of any offense, other than pedestrian-related or parking-related offenses.

#### **SPECIAL PROSECUTION UNIT**

The responsibilities of the Special Prosecution Unit (SPU) program area are carried out through the SPU office headquartered in Walker County. SPU is staffed by Walker County employees and has three divisions:

Criminal, Juvenile, and Civil. The Criminal Division prosecutes crimes committed within the Texas Department of Criminal Justice prison system. The Juvenile Division prosecutes criminal offenses or delinquent conduct committed within Texas Juvenile Justice Department facilities. The Civil Division assists local county prosecutors with the initiation of civil commitments of sexually violent predators.

Appropriations for the SPU program area total \$11.0 million for the 2022–23 biennium, an increase of \$112,174, or 1.0 percent, in General Revenue Funds from 2020–21 biennial spending levels to maintain funding at the 2020–21 biennial appropriated level.

#### **OTHER PROGRAM AREAS**

This program area provides appropriations for the following five programs:

- \$2.8 million for the Witness Expenses program, which provides for payment of county expenses for witnesses called in criminal proceedings that reside outside the county where the trial is held;
- \$0.9 million for the National Center for State Courts program, which provides for payment of a membership assessment with the National Center for State Courts on behalf of the Texas Judiciary;
- \$0.1 million for the Indigent Inmate Defense program, which provides reimbursement for payment of expenses incurred by counties for attorney compensation and expenses awarded when the court appoints an attorney for an inmate's legal defense;
- \$50,000 for the Death Penalty Habeas Representation program, which provides compensation of court appointed counsel representing death row inmates in habeas corpus representation; and
- \$10,000 for the Docket Equalization program, which provides funding to support the Supreme Court of Texas' transfer of cases from one court of appeals to another, including payment of travel expenses incurred by appellate justices and their staff that travel to hear cases transferred to them for disposition.

Appropriations for Other Program Areas total \$3.8 million in All Funds, which is 1.1 percent less than 2020–21 biennial spending levels.

#### **SIGNIFICANT LEGISLATION**

**House Bill 3774 – Establishment of new district courts and county-level courts.** The legislation establishes five additional district courts during each fiscal year of the 2022–2023 biennium. The legislation also establishes one new statutory probate court and five statutory county courts-at-law during fiscal year 2023.



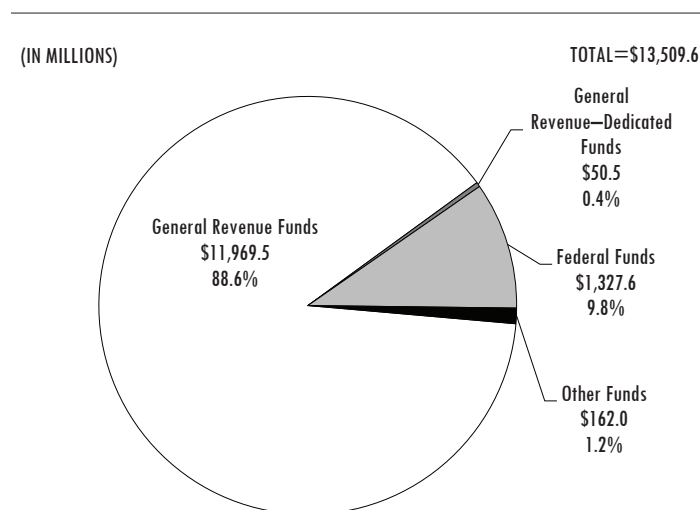
## 8. PUBLIC SAFETY AND CRIMINAL JUSTICE

Public safety and criminal justice agencies are funded in Article V of the General Appropriations Act and provide various services to ensure the safety and security of Texans. Those services include the adult and juvenile corrections systems (community supervision, incarceration, and parole services), law enforcement and highway patrol, the Texas military forces, and driver license processing. Additional services provided include county jail regulation, law enforcement officer training and licensing, alcoholic beverage industry oversight, and firefighter certification. Border security is coordinated among several Article V agencies and agencies in other articles of government. Public safety and criminal justice agencies are funded primarily with General Revenue Funds.

**FIGURE 235**  
**ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE, BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$10,932.9	\$11,969.5	\$1,036.6	9.5%
General Revenue–Dedicated Funds	\$56.4	\$50.5	(\$5.9)	(10.5%)
Federal Funds	\$2,443.5	\$1,327.6	(\$1,115.9)	(45.7%)
Other Funds	\$289.9	\$162.0	(\$127.9)	(44.1%)
<b>Total, All Methods of Finance</b>	<b>\$13,722.8</b>	<b>\$13,509.6</b>	<b>(\$213.1)</b>	<b>(1.6%)</b>

### SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

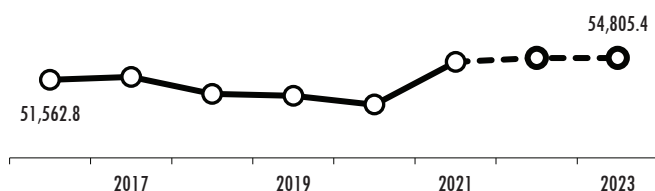
Public Safety and Criminal Justice (PSCJ) agencies were appropriated an additional **\$125.1 million to provide law enforcement officer pay increases** to the Department of Public Safety (DPS) (\$118.5 million), the Alcoholic Beverage Commission (\$3.9 million), and the Department of Criminal Justice (TDCJ) (\$2.7 million).

Funding of **\$446.0 million in Federal Funds from COVID-19 pandemic-related federal stimulus funds** is appropriated as a method-of-finance adjustment in fiscal year 2022 to cover salaries and benefits in response to the pandemic and to replace General Revenue Funds.

**Funding for Border Security at PSCJ agencies totals \$1,387.1 million**, primarily to support additional State Troopers and Operation Lone Star activities at the Texas–Mexico border.

Supplemental items in fiscal year 2021 include amounts to **reduce shortfalls at TDCJ (\$209.7 million)**, **vehicle replacement at DPS (\$104.6 million)**, and other information technology and capital projects.

### FULL-TIME-EQUIVALENT POSITIONS



**NOTES:**

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent positions show actual positions for fiscal years 2016 to 2020, budgeted positions for fiscal year 2021, and appropriated positions for fiscal years 2022 and 2023.

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

**FIGURE 236**  
**ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE APPROPRIATIONS BY AGENCY, ALL FUNDS**

(IN MILLIONS)				
FUNCTION	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
Alcoholic Beverage Commission	\$112.2	\$100.7	(\$11.4)	(10.2%)
Department of Criminal Justice	\$7,249.5	\$6,858.2	(\$391.3)	(5.4%)
Commission on Fire Protection	\$3.8	\$3.8	(\$0.0)	(1.2%)
Commission on Jail Standards	\$3.0	\$3.1	\$0.1	3.9%
Juvenile Justice Department	\$643.2	\$635.6	(\$7.6)	(1.2%)
Commission on Law Enforcement	\$12.9	\$11.3	(\$1.6)	(12.6%)
Military Department	\$260.0	\$603.5	\$343.5	132.1%
Department of Public Safety	\$3,228.5	\$2,980.2	(\$248.3)	(7.7%)
<b>Subtotal, Public Safety and Criminal Justice</b>	<b>\$11,513.1</b>	<b>\$11,196.4</b>	<b>(\$316.7)</b>	<b>(2.8%)</b>
Employee Benefits and Debt Service	\$2,386.4	\$2,478.9	\$92.4	3.9%
Less Interagency Contracts	\$176.7	\$165.6	(\$11.1)	(6.3%)
<b>Total, All Functions</b>	<b>\$13,722.8</b>	<b>\$13,509.6</b>	<b>(\$213.1)</b>	<b>(1.6%)</b>

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.

## MAJOR FUNDING

The 2022–23 biennial funding levels for Public Safety and Criminal Justice (PSCJ) agencies total \$13.5 billion in All Funds, which is primarily General Revenue Funds. This amount is a decrease of \$213.1 million, or 1.6 percent, from 2020–21 biennial funding levels.

## PAY INCREASES

The Eighty-seventh Legislature, Regular Session, 2021, appropriated General Revenue Funds to provide salary increases for law enforcement officers in Schedule C of the State's Classification Plan in the 2022–23 biennium. The Department of Public Safety (DPS) receives \$118.5 million for law enforcement and communication officer salary increases, the Texas Alcoholic Beverage Commission (TABC) receives \$3.9 million, and the Texas Department of Criminal Justice (TDCJ) receives \$2.7 million for the Office of the Inspector General.

In addition, \$34.1 million in General Revenue Funds was provided for a 3.0 percent pay increase for TDCJ correctional officers working in maximum security facilities.

## BORDER SECURITY

The Eighty-seventh Legislature, Regular Session, 2021, appropriated \$1,123.7 million in state funds to 10 state agencies for border security; this amount includes 2022–23

biennial appropriations in Senate Bill 1 and fiscal year 2021 supplemental appropriations in House Bill 2. House Bill 9, Second Called Session, 2021, appropriates an additional \$1,802.6 million relating to border security efforts, totaling \$2,926.3 million across the three bills. Of the 13 agencies in all budget articles that were appropriated funds for border security, six are PSCJ agencies: DPS receives \$942.6 million, the Texas Military Department (TMD) receives \$411.9 million, TDCJ receives \$25.3 million, TABC receives \$6.8 million, the Texas Commission on Law Enforcement (TCOLE) receives \$0.3 million, and the Texas Commission on Jail Standards (TCJS) receives \$0.2 million.

New funding includes the following items:

- \$411.9 million in General Revenue Funds is appropriated to TMD in Senate Bill 1 and House Bill 2, Regular Session, 2021, and House Bill 9, Second Called Session, 2021, for Operation Lone Star and to support other border security activities;
- for DPS, Senate Bill 1 provides \$56.7 million in General Revenue Funds to support 100.0 additional border security state troopers, and House Bill 2, Regular Session, appropriates \$38.0 million in General Revenue Funds for border security vehicles and equipment. House Bill 9, Second Called Session, provides \$154.8 million to fund Operation Lone

Star surge costs, 79.0 additional full-time-equivalent (FTE) positions, and 6.0 tactical marine unit vessels;

- House Bill 9, Second Called Session, appropriates \$23.7 million in General Revenue Funds to TDCJ for border security-related activities, and a \$250.0 million reimbursement for a previous transfer to Trusteed Programs within the Office of the Governor; and
- House Bill 9, Second Called Session, provides \$0.2 million to TCJS for additional FTE positions, increased overtime costs, and increased travel expenses relating to TCJS's border security-related assistance for Operation Lone Star.

#### **FUNDING RELATED TO THE COVID-19 PANDEMIC**

The Eighty-seventh Legislature, 2021, all sessions, appropriated pandemic-related federal stimulus funding in response to the COVID-19 pandemic to cover fiscal year 2022 salaries and benefits at four PSCJ agencies: TDCJ, \$340.0 million; DPS, \$89.0 million; Texas Juvenile Justice Department (TJJD), \$13.0 million; and TABC, \$4.0 million. House Bill 2, Regular Session, decreased fiscal year 2021 General Revenue Funds at certain agencies that previously received Federal Funds in response to the pandemic.

In addition to amounts shown in **Figure 235** and **Figure 236**, Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, appropriates \$359.7 million to TDCJ for employee compensation from the federal Coronavirus State Fiscal Recovery Fund as a method-of-finance adjustment. In addition, Senate Bill 8 appropriates \$5.8 million in Federal Funds to TCOLE for deposit to the General Revenue–Dedicated Funds Account No. 116, Law Enforcement Officer Standards and Education, to address matters related to shortfalls in court fee collections.

#### **SUPPLEMENTAL FUNDING**

House Bill 2, Eighty-sixth Legislature, Regular Session, 2021, included supplemental appropriations in General Revenue Funds and Other Funds from the Economic Stabilization Fund (ESF) for PSCJ agencies for fiscal year 2021.

Supplemental General Revenue Funds appropriations were provided for the following purposes at TDCJ: (1) \$123.7 million to address a shortfall in Correctional Managed Health Care; (2) \$105.5 million for the repair and renovation of correctional facilities; (3) \$86.0 million to

address a shortfall in agency operations and parole supervision; (4) \$21.5 million for Technology for Inmate Health Care; and (5) \$14.1 million for agency vehicles.

DPS receives supplemental appropriations of \$138.5 million in General Revenue Funds and \$25.0 million from the ESF for the following purposes: (1) \$104.6 million in General Revenue Funds for agency vehicles and transportation; (2) \$29.1 million in General Funds for border security equipment; (3) \$3.8 million in General Revenue Funds for deferred maintenance; (4) \$1.0 million in General Revenue Funds for legacy system modernization; (5) \$22.0 million from the ESF for bulletproof windshields and windows; and (6) \$3.0 million from the ESF to build a consolidated law enforcement center in Brazoria County.

Supplemental appropriations of \$4.6 million were provided to TCOLE in fiscal year 2021 for the purchase of the Commission on Law Enforcement Data Distribution System (TCLEDDS), and \$1.0 million in General Revenue Funds for 6.0 additional FTE positions to work on TCLEDDS and support other information technology issues.

TMD receives \$3.2 million in General Revenue Funds and Federal Funds for the State of Texas Armory Revitalization program, TJJD receives \$3.5 million in General Revenue Funds for capital needs and improvements, and TABC receives \$4.3 million in General Revenue Funds for Licensing and Tax Technology modernization.

## ALCOHOLIC BEVERAGE COMMISSION

**PURPOSE:** To deter violations of the Texas Alcoholic Beverage Code by inspecting licensed establishments within the alcoholic beverage industry, investigating complaints, regulating the personal importation of alcoholic beverages and cigarettes through the state’s ports-of-entry locations with Mexico and the seaport at Galveston, and enforcing state law.

**ESTABLISHED:** 1970

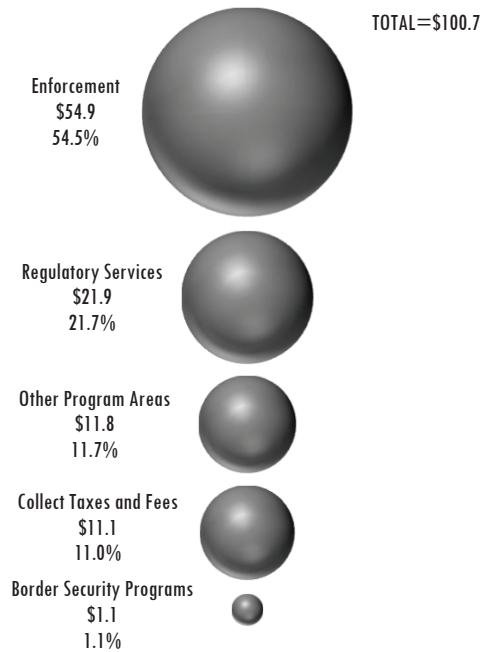
**AUTHORIZING STATUTE:** The Texas Alcoholic Beverage Code, §5.01

**GOVERNANCE:** Five-member commission appointed by the Governor, with the advice and consent of the Senate

**FIGURE 237**  
**ALCOHOLIC BEVERAGE COMMISSION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$102.5	\$96.9	(\$5.6)	(5.5%)	<table border="1"> <tr> <td>2022</td> <td>640.0</td> </tr> <tr> <td>2023</td> <td>640.0</td> </tr> </table>	2022	640.0	2023	640.0
2022	640.0								
2023	640.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$9.2	\$3.6	(\$5.6)	(60.5%)					
Other Funds	\$0.4	\$0.2	(\$0.2)	(54.8%)					
<b>Total, All Methods of Finance</b>	<b>\$112.2</b>	<b>\$100.7</b>	<b>(\$11.4)</b>	<b>(10.2%)</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The Texas Alcoholic Beverage Commission (TABC) collected \$262.9 million in taxes, \$46.0 million in license fees, \$29.0 million in license surcharges, and \$6.9 million in other collections for a total of \$344.9 million during fiscal year 2021. This amount includes \$5.4 million in excise taxes at 30 ports of entry across Texas.

TABC issued 65,219 permits and licenses and conducted 2,148 audits during fiscal year 2021.

Appropriations of \$5.5 million and 29.0 full-time-equivalent (FTE) positions are provided for human trafficking enforcement in TABC-licensed businesses, including 17.0 enforcement positions in the Special Investigations Unit.

Appropriations include \$4.3 million in fiscal year 2021 and 5.0 FTE positions for upgrades to the licensing and tax technology system.

SOURCE: Legislative Budget Board.



## MAJOR FUNDING

Appropriations for the 2022–23 biennium total \$100.7 million, representing a decrease of \$11.4 million in All Funds, or 10.2 percent from the 2020–21 biennial expenditure level. Decreases include \$10.1 million in General Revenue Funds from the discontinuation of onetime funds and a \$4.3 million supplemental appropriation of General Revenue Funds in fiscal year 2021 for Licensing and Tax Technology modernization. These decreases were offset partially by a \$3.9 million increase in General Revenue Funds for salary increases for law enforcement officers.

In addition, \$4.0 million in Federal Funds replaced General Revenue Funds in fiscal year 2022 to cover salaries and benefits in response to the COVID-19 pandemic.

## PROGRAMS

The Texas Alcoholic Beverage Commission (TABC) carries out its responsibilities through four primary program areas: (1) enforcement, (2) border security, (3) regulatory services, and (4) collection of taxes and fees. The enforcement program area includes the criminal investigations program and the human trafficking-investigations program. The criminal investigations program is responsible for regulating the distribution of alcoholic beverages and investigating criminal activity in TABC-licensed businesses through its Enforcement Division, Financial Crimes Unit (FCU), and Special Investigations Unit (SIU). The Enforcement Division employs 138.0 commissioned law enforcement officer positions, primarily located in five regional offices and 24 area or outpost offices. Thirty-one law enforcement officers, 27 from the Border Enforcement Program and four from the SIU, are assigned to the border security program in the Texas–Mexico border region to assist in the deterrence of crimes in accordance with the border security initiative. The Enforcement Division inspects establishments engaged in the sale and distribution of alcoholic beverages to ensure that they are licensed properly and conform to the administrative and criminal law enforcement provisions of the Texas Alcoholic Beverage Code.

TABC established two specialized units within the criminal investigations program, FCU and SIU, during fiscal year 2013 to identify and investigate habitual patterns of at-risk behavior of individuals and entities at licensed locations and to identify and investigate financial crimes committed at licensed locations. FCU employs four commissioned peace officers that investigate financial crimes such as money laundering, tax fraud, and other

organized financial crimes. One FCU agent is assigned to assist with anti-human-trafficking efforts. SIU employs 21 commissioned peace officers and works with local, state, and federal law enforcement agencies to gather intelligence and conduct administrative and criminal investigations relating to narcotics operations, human trafficking, and other criminal activities.

Appropriations for the criminal investigations program total \$49.4 million in All Funds for the 2022–23 biennium, which includes \$3.9 million for salary increases for law enforcement officers.

Appropriations for the human trafficking program total \$5.5 million in All Funds and 29.0 full-time-equivalent (FTE) positions for the 2022–23 biennium. Seventeen of the 29.0 human trafficking-investigation enforcement agent positions work in SIU to investigate and conduct undercover operations for offenses connected to human trafficking occurring at TABC-licensed locations.

Appropriations for the border security program area total \$1.1 million in All Funds for the 2022–23 biennium. Of the 42 commissioned SIU peace officers, four are assigned to the border security program in the border region to assist in the deterrence of crimes in accordance with the border security initiative.

Appropriations for criminal investigations, human-trafficking investigations, and border security programs for the 2022–23 biennium total \$56.0 million, primarily General Revenue Funds, and provide for 295.0 FTE positions, which represents a \$2.9 million increase from 2020–21 biennial expenditure levels.

The regulatory services program area includes the licensing, regulatory compliance, labeling, and education and prevention programs. The licensing program processes applications for all phases of the alcoholic beverage industry, including manufacturing, sales, purchases, transportation, storage, and distribution. The licensing program ensures that each applicant is qualified to hold the requested license or permit and complies with all applicable regulatory requirements. The regulatory compliance and education and prevention programs conduct other regulatory responsibilities at TABC. Through these programs, TABC develops training and educational materials for stakeholders and conducts inspections, audits, fee analyses, and other financial reviews to prevent fraud and to ensure compliance with the Texas Alcoholic Beverage Code. The marketing practices and label approval program is responsible for overseeing the promotion,

testing, and labeling of alcoholic beverages distributed for sale in Texas. Appropriations for the regulatory services program area total \$21.9 million for the 2022–23 biennium.

**Figure 238** shows the actual performance for the number of alcoholic beverage licenses and permits issued from fiscal years 2015 to 2021. A decrease in the number of licenses and permits issued in fiscal years 2020 and 2021 can be attributed largely to the COVID-19 pandemic.

The taxes and fees collection program area includes the excise tax administration program and the ports of entry program. The excise tax administration program oversees the review and processing of excise tax reports, excise tax payments, and other periodic reports required by law from licensees and permittees involved in the wholesale and manufacturing tiers of the alcoholic beverage industry. During fiscal year 2021, TABC collected \$338.2 million in fees and taxes, most of which is deposited to the Treasury. Appropriations for the excise tax administration program total \$1.3 million in All Funds for the 2022–23 biennium.

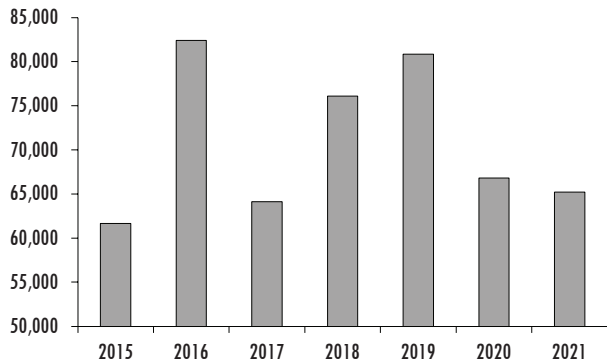
The ports of entry program is responsible for the collection of excise taxes of imported alcoholic beverages along the U.S.–Mexico border and at the Port of Galveston. In fiscal year 2021, 119.0 FTE tax compliance officer positions collected \$5.4 million in taxes and administrative fees at 30 ports of entry. Appropriations for the ports of entry program total \$9.8 million in All Funds.

In addition to these program areas, appropriations for the information resources program total \$5.9 million in All Funds, which represents a 69.8 percent decrease from the 2020–21 biennium. The Eighty-seventh Legislature, Regular Session, 2021, directed TABC to update outdated licensing and tax technology systems used by enforcement agents, auditors, and licensing agents. House Bill 2, Regular Session, provides supplemental appropriations of \$4.3 million in General Revenue Funds for Licensing and Tax Technology Replacement in fiscal year 2021.

**SIGNIFICANT LEGISLATION**

**House Bill 1518 – Hours for selling alcoholic beverages in certain establishments.** The legislation authorizes permitted or licensed hotel bars to sell alcoholic beverages at any time to a registered hotel guest. The legislation authorizes holders of a retail dealer’s on-premise or off-premise license to sell malt beverages for off-premise consumption from 10:00 AM to 12 PM on Sundays and authorizes the sale and delivery of alcoholic beverages under a wine and malt

**FIGURE 238**  
**ALCOHOLIC BEVERAGE LICENSES AND PERMITS ISSUED**  
**FISCAL YEARS 2015 TO 2021**



SOURCE: Texas Alcoholic Beverage Commission.

beverage retailer’s permit or off-premise permit during the same hours.

**House Bill 1540 – Regulation of certain facilities and establishments.** The legislation amends sections of the Texas Alcoholic Beverage Code to include an offense involving drink solicitation as mandatory grounds for the denial of certain alcoholic beverage permits and licenses in certain circumstances.

## TEXAS DEPARTMENT OF CRIMINAL JUSTICE

**PURPOSE:** To incarcerate offenders in state prisons, state jails, and private correctional facilities; to provide funding and certain oversight of community supervision; and to be responsible for the supervision of offenders released from prison on parole. The mission of the department is to provide public safety, promote positive change in offender behavior, reintegrate offenders into society, and assist victims of crime.

**ESTABLISHED:** 1989

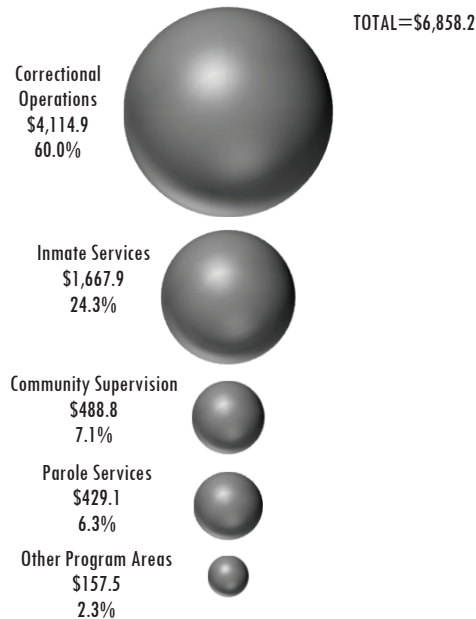
**AUTHORIZING STATUTE:** The Texas Government Code, Chapter 493

**GOVERNANCE:** Nine-member board appointed by the Governor with the advice and consent of the Senate

**FIGURE 239**  
**TEXAS DEPARTMENT OF CRIMINAL JUSTICE BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$5,812.3	\$6,216.5	\$404.2	7.0%	<b>2022</b> 39,471.1 <b>2023</b> 39,467.4
General Revenue–Dedicated Funds	\$4.2	\$0.1	(\$4.0)	(96.5%)	
Federal Funds	\$1,205.8	\$493.2	(\$712.6)	(59.1%)	
Other Funds	\$227.3	\$148.4	(\$78.9)	(34.7%)	
<b>Total, All Methods of Finance</b>	<b>\$7,249.5</b>	<b>\$6,858.2</b>	<b>(\$391.3)</b>	<b>(5.4%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations include **\$34.1 million to provide salary increases for correctional officers that work in one of 23 maximum security units.** At the end of fiscal year 2021, the agency had filled 17,619 correctional officer positions, which constitutes 72.9 percent of the full-time-equivalent position cap.

**Correctional managed healthcare funding totals \$1.3 billion in General Revenue Funds.** Appropriations also include \$145.2 million for fiscal year 2021 healthcare expenditures and information technology.

Additional appropriations for offender services include **\$1.9 million for academic and vocational programs and \$1.0 million for reentry programs** in Houston and Dallas.

**Appropriations for community supervision and parole decreased by \$9.0 million** to align with 2022–23 biennial population projections. Funding for parole supervision increased by **\$11.0 million in fiscal year 2021.**

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

The 2022–23 biennial All Funds appropriation for the Texas Department of Criminal Justice (TDCJ) is \$6,858.2 million in All Funds, a net decrease of \$391.3 million from the 2020–21 biennial expenditure level. Significant General Revenue Funds increases in the 2022–23 biennium include the following amounts:

- \$60.0 million for correctional managed healthcare;
- \$34.1 million for a 3.0 percent pay increase for correctional officers working in maximum security facilities;
- \$31.7 million for agency operations, parole services, and the Board of Pardons and Paroles related to a partial restoration of the 5.0 percent reduction;
- \$23.7 million for agency correctional security operations related to border security;
- \$2.7 million for law enforcement salary increases for the Office of Inspector General;
- \$1.9 million for academic and vocational training; and
- \$1.0 million for reentry services in Houston and Dallas.

These amounts are offset by the following decreases compared to expenditures in the 2020–21 biennium:

- \$105.5 million in General Revenue Funds for major repair of facilities, \$54.0 million from the Economic Stabilization Fund (ESF) for deferred maintenance, and \$4.0 million in General Revenue–Dedicated Funds for the sale of land from the South Texas Intermediate Sanction Facility;
- \$63.9 million in General Revenue Funds for facility closures, unit idlings, institutional operations, and sheltered housing construction costs;
- \$47.2 million in Federal Funds and Other Funds for onetime grants awards, interagency contracts, and completed capital budget projects;
- \$14.1 million in General Revenue Funds for agency vehicle replacements;
- \$9.0 million in General Revenue Funds to align basic supervision and parole supervision funding with Legislative Budget Board population projections; and

- \$4.0 million in General Revenue Funds for a budget execution order dated November 19, 2021, relating to the transfer of funds from TDCJ to the Secretary of State.

Included in the 2022–23 biennial appropriation amount, funding for Correctional Managed Health Care (CMHC) totals \$1.334.6 million in All Funds, which represents a net \$93.6 million decrease from the 2020–21 biennial funding levels. This decrease primarily is the result of fiscal year 2021 supplemental appropriations to fund CMHC fiscal year 2021 expenditures (\$123.7 million) and onetime funding to update the inmate healthcare electronic medical record for CMHC information technology (\$21.5 million). This decrease is offset partially by a \$60.0 million increase for inmate healthcare for the 2022–23 biennium, a \$5.4 million decrease related to unit closures, and a \$3.0 million decrease for onetime sheltered housing construction costs.

In addition to the supplemental CMHC appropriations, significant funding changes in fiscal year 2021 pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, include the following General Revenue Funds amounts:

- \$105.5 million for the repair and renovation of correctional facilities;
- \$86.0 million to address a shortfall in agency operations and parole supervision; and
- \$14.1 million for agency vehicles.

Additionally, \$540.0 million in Federal Funds replaced General Revenue Funds in fiscal year 2022 to cover salaries and benefits in response to the COVID-19 pandemic.

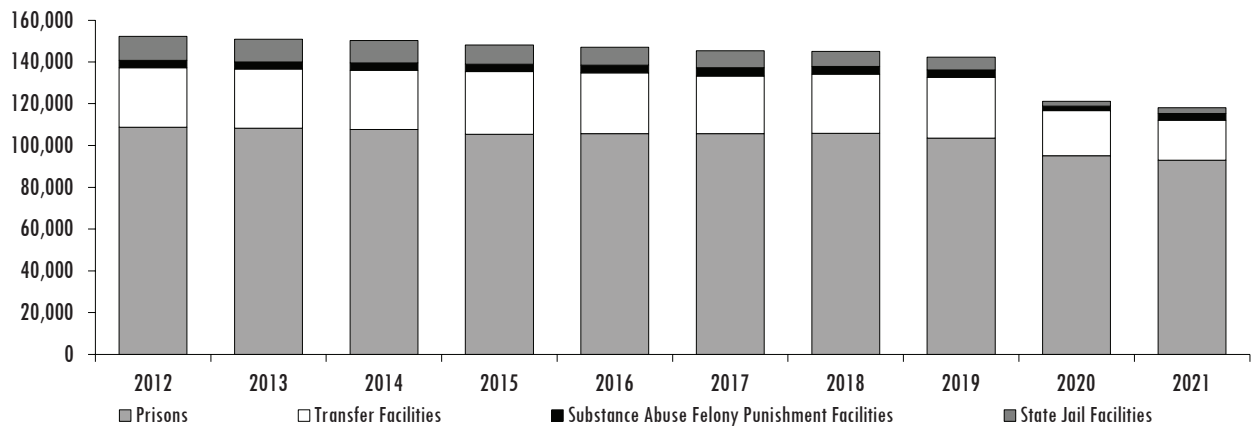
## PROGRAMS

TDCJ's statutory mission is to provide public safety, promote change in offender behavior, reintegrate incarcerated individuals into society, and assist victims of crime. TDCJ carries out its responsibilities through five primary program areas: (1) correctional operations, (2) inmate services, (3) community supervision, (4) parole services, and (5) other programs.

### CORRECTIONAL OPERATIONS

The correctional operations program area includes 13 programs that are responsible for managing and operating the state's correctional institutions. TDCJ's primary correctional operations programs for incarcerated individuals include correctional security, support, and

**FIGURE 240**  
**ACTUAL CORRECTIONAL INSTITUTIONS POPULATION, FISCAL YEARS 2012 TO 2021**



NOTE: Population counts are as of August 31 of each fiscal year.  
 SOURCES: Legislative Budget Board; Texas Department of Criminal Justice.

training; agriculture operations; classification and records; commissary operations; contract prison and privately operated state jails; food and unit services; and Texas Correctional Industries (TCI).

TDCJ's correctional populations from fiscal years 2012 to 2021 are shown in **Figure 240**. The projected end-of-month yearly average of incarcerated individuals is 139,019 for fiscal year 2022 and 138,545 for fiscal year 2023. The incarcerated population in TDCJ correctional institutions decreased from fiscal years 2012 to 2021. The correctional institutions population is expected to remain stable from fiscal years 2022 to 2026. Incarcerated individuals are confined in 98 correctional units, including state jails, transfer facilities, and substance abuse facilities across the state.

Appropriations for the correctional operations program area for the 2022–23 biennium total \$4,114.9 million in All Funds for the purpose of confining and supervising adult felons incarcerated in TDCJ's correctional institutions, which represents a \$381.6 million increase in General Revenue Funds. Included in the appropriations for prison operations is \$170.2 million for continued contracts with seven contract prisons and three privately operated state jails. The contract prisons, located in Bridgeport, Cleveland, Diboll, Kyle, Lockhart, Overton, and Venus, typically incarcerate individuals that maintain a minimum custody status and that are within two years of parole eligibility. Privately operated state jails are located in Henderson, Jacksboro, and Raymondville.

As part of the rehabilitative process, TCI provides training and work opportunities to prepare those incarcerated for employment. TCI operates 35 factories and plants at 28 prison units and produces goods and services for TDCJ's use and for sale. Sales were approximately \$46.0 million during fiscal year 2021. The 2022–23 biennial appropriation for TCI is \$149.6 million. TDCJ began manufacturing masks, gowns, and face shields in March 2020 as part of the agency's COVID-19 response.

The agriculture operations program manages 113,000 acres in 47 Texas counties. The division has operations at 17 prison units. Production ranges from 30 varieties of edible crops to a cattle herd of more than 14,000 head. The 2022–23 biennial appropriation for this purpose is \$100.3 million.

The Eighty-seventh Legislature, Regular Session, 2021, appropriated \$34.1 million to TDCJ for a 3.0 percent pay increase for correctional officers working in maximum security facilities. Supplemental appropriations in fiscal year 2021 include an increase of \$75.0 million for correctional security operations and institutional goods, operations, and maintenance, and an increase of \$13.9 million for agency vehicles.

House Bill 9, Second Called Session, 2021, appropriated \$273.7 million for correctional security operations for the 2022–23 biennium. Of this amount, \$250.0 million was appropriated to TDCJ as reimbursement after transferring funds to the Office of the Governor for border security-related activities.

Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, provides \$359.7 million in Federal Funds for employee compensation and benefits. This funding is part of a method-of-finance adjustment that does not increase overall agency appropriations.

### **INMATE SERVICES**

Inmate services consist of 27 programs that include CMHC, the Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI), reentry transitional coordinators, vocational and academic programs, specialized treatment services, and behavioral health. For the 2022–23 biennium, \$1,667.9 million in All Funds is appropriated to TDCJ for rehabilitating adult felons incarcerated in correctional institutions. The Windham School District provides another inmate service, educational programs for the incarcerated, which is funded through the Texas Education Agency’s bill pattern.

The delivery of correctional healthcare services to incarcerated individuals within TDCJ facilities includes medical, dental, nursing, pharmacy, hospital, and mental health services. The direct delivery of correctional healthcare primarily involves two state entities: the University of Texas Medical Branch (UTMB) at Galveston and the Texas Tech University Health Sciences Center (TTUHSC). Both entities utilize a combination of university employees and outsourcing to provide correctional healthcare services. UTMB provides care for those incarcerated in the eastern and southern parts of the state, where most facilities are located, and TTUHSC provides care for those in the western and northern regions of the state.

The total appropriation for CMHC for the 2022–23 biennium is \$1,334.6 million in All Funds, which is a decrease of \$93.6 million from the 2020–21 biennium.

The Eighty-seventh Legislature, 2021, appropriated \$60.0 million to maintain healthcare services at 2020–21 biennial expenditure levels. For the 2020–21 biennium, supplemental appropriations include \$123.7 million to fund CMHC fiscal year 2021 expenditures, and \$21.5 million to update the inmate electronic health records system. The agency began the vaccination of inmates in March 2021. At the beginning of fiscal year 2022, TDCJ had administered 162,000 vaccine doses to inmates and 27,000 doses to staff.

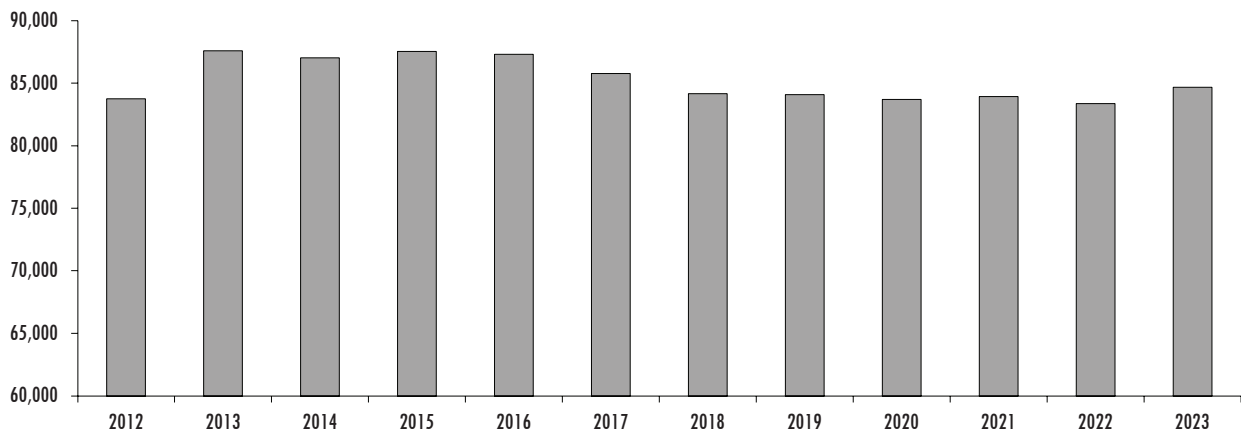
TCOOMMI provides collaboration among criminal justice, health and human services, and other affected organizations to provide continuity of care for individuals with special needs, which include the elderly and those

with physical disabilities, terminal illness, mental illness, or intellectual disabilities. TCOOMMI contracts in select communities, targeting individuals on parole supervision and those on community supervision. Programs for individuals with special needs provide immediate access to services, thereby reducing the likelihood of parole or community supervision violations due to an inability to access services required by the courts or the parole board. TDCJ was appropriated \$55.1 million in All Funds for the 2022–23 biennium to provide a comprehensive continuity-of-care system for individuals with special needs. Appropriations for the 2022–23 biennium also include \$1.9 million to restore academic and vocational training to 2020–21 biennial levels and an additional \$1.0 million for reentry services pilot programs in Houston and Dallas.

After orientation, screening, and assessment, those received into TDCJ custody receive an individual treatment plan (ITP). The ITP outlines programs and services and prioritizes participation in the programs and services offered according to the individual’s needs, program or service availability, and parole or discharge date. The following programs and services are offered: counseling, including substance abuse and sex offender treatment; adult basic education; special education; and vocational training, often in conjunction with TCI. One such treatment program is the In-Prison Therapeutic Community (IPTC) Program, which provides substance abuse treatment for eligible individuals that are within six months of parole release. Upon completion of the program, individuals are released on parole and must complete an aftercare phase of treatment. Aftercare treatment consists of residential care or intensive outpatient treatment for three months, followed by nine to 12 months of less-intensive outpatient counseling. The 2022–23 biennial appropriation for IPTC is \$41.5 million in All Funds.

In addition to specialized services, certain individuals may be housed in facilities based on specific needs. These facilities include TDCJ’s specialized correctional institutions, such as geriatric and medical units, developmentally disabled and psychiatric units, transfer facilities, prerelease, and substance abuse felony punishment facilities (SAFPF). SAFPFs are secure correctional facilities that use a therapeutic community approach to substance abuse treatment that combines individual and group counseling. Individuals may be sentenced to SAFPF as a condition of community supervision, or the Board of Pardons and Paroles may place an individual on parole into an SAFPF in lieu of revocation. The first phase of the SAFPF program takes place in a secure correctional

**FIGURE 241**  
**ACTUAL AND PROJECTED ACTIVE PAROLE SUPERVISION POPULATION, FISCAL YEARS 2012 TO 2023**



**NOTES:**

(1) Fiscal year population counts are an average of end-of-month counts.

(2) Counts shown for fiscal years 2012 to 2021 are actual counts; counts shown for fiscal years 2022 and 2023 are projected values.

SOURCES: Legislative Budget Board; Texas Department of Criminal Justice.

facility and lasts six months (nine months for those with special needs). Upon completion of the incarceration portion of the SAFPF program, individuals receive substance abuse aftercare in the community. The aftercare component includes up to three months of residential or intensive outpatient treatment, followed by outpatient counseling for up to 12 months. Correctional populations in SAFPFs are shown in **Figure 240**. The 2022–23 biennial appropriation for SAFPF is \$100.8 million in All Funds.

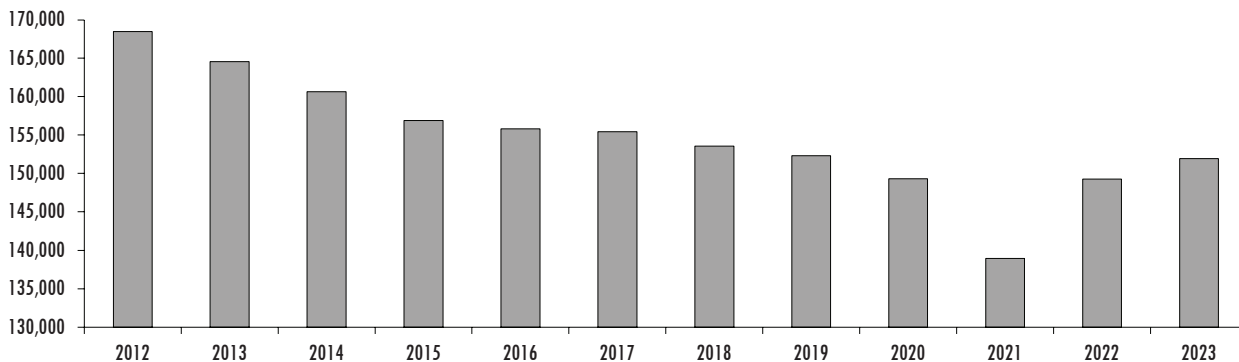
**PAROLE SERVICES**

The parole services program area consists of the Board of Pardons and Paroles (BPP), a constitutionally authorized and separate state entity that shares certain support functions with TDCJ; halfway house facilities; intermediate sanction facilities; parole release processing; and parole supervision. This program area is responsible for providing basic supervision and rehabilitative services to those released from prison onto parole. Parole is the discretionary release of an incarcerated individual by a BPP decision to serve the remainder of an incarceration sentence on parole supervision within the community. TDCJ is appropriated \$429.1 million in All Funds for the 2022–23 biennium for the parole services program area. Of this total, \$235.4 million is designated to fund parole supervision, which includes a \$2.4 million decrease to fund parole at projected 2022–23 biennial levels and a supplemental appropriation of \$11.0 million for parole supervision in fiscal year 2011. Approximately \$117.5 million in All Funds is appropriated

to provide adequate surveillance and control of individuals on parole residing in residential facilities, including halfway houses and intermediate sanction facilities. The projected averages for the daily active adult parole population are 83,373 for fiscal year 2022 and 84,666 for fiscal year 2023. During fiscal year 2021, the number of parole officers averaged 1,355 in 67 district parole offices statewide. At the close of fiscal year 2021, parole officers had supervised an average end-of month population of 83,927 individuals released to supervision. **Figure 241** shows actual active parole supervision populations at the end of each fiscal year since 2012 and projected active parole populations for fiscal years 2022 and 2023.

The parole review and release process includes identifying individuals eligible for parole. BPP reviews the case summary, which outlines criminal, social, medical, psychological, and institutional adjustment history, to make a decision and to determine conditions of parole. Cases are screened for multiple factors, including protests, victim information, disciplinary conduct, and board-imposed special conditions. If approved for parole, the individual is released on the parole eligibility date or the date that BPP specifies. If parole is denied, most individuals will be eligible to have their cases reviewed again in one year. Individuals convicted of certain offenses may have subsequent reviews set off for up to five years or in some situations 10 years, pursuant to the Texas Government Code, Section 508.149. Local law enforcement is notified of the pending release.

**FIGURE 242**  
**ACTUAL AND PROJECTED AVERAGES OF THE FELONY DIRECT COMMUNITY SUPERVISION POPULATION**  
**FISCAL YEARS 2012 TO 2023**



NOTES:  
 (1) Fiscal year population counts are an average of end-of-month population counts.  
 (2) Counts shown for fiscal years 2012 to 2021 are actual counts; Counts shown for fiscal years 2022 and 2023 are projected values.  
 SOURCES: Legislative Budget Board; Texas Department of Criminal Justice.

BPP appropriations are included in TDCJ’s budget structure in the General Appropriations Act. Appropriations for BPP for the 2022–23 biennium total \$59.8 million in All Funds and 592.1 full-time-equivalent positions to support the board’s operations and the parole selection and revocation processes.

**COMMUNITY SUPERVISION**

Community supervision (adult probation) provides programs that support the goal of diverting individuals from traditional incarceration. Such programs include coordinated work with local community supervision and corrections departments (CSCD), distribution of grants, and specialized community-based diversion programs. TDCJ was appropriated \$488.8 million in All Funds for the 2022–23 biennium to support community supervision and other community-based programs. Most of these funds will be distributed as state aid to local CSCDs, which are local entities established by district judges for supervising and rehabilitating individuals placed under supervision for committing felony and misdemeanor offenses. The 2022–23 biennial appropriations include a \$6.6 million decrease to fund basic supervision at projected 2022–23 biennial levels and a \$1.2 million decrease for a onetime amendment with the Department of State Health Services.

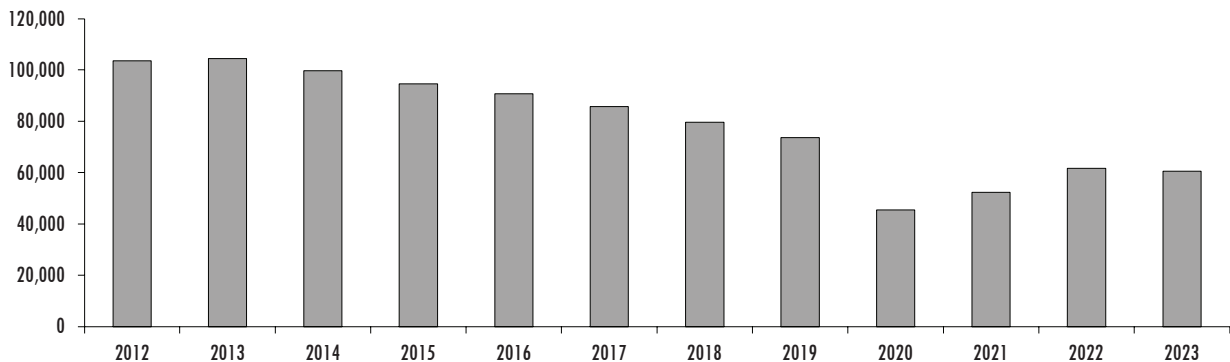
During fiscal year 2021, CSCDs employed an end-of-month average of 2,681 community supervision officers to directly supervise and provide services to an end-of-month

average population of 139,940 individuals on felony direct community supervision. **Figure 242** shows the actual end-of-month yearly average of the felony direct community supervision population for fiscal years 2012 to 2021 and the projected population for fiscal years 2022 and 2023. The projected average number of felons on community supervision is 149,256 for fiscal year 2022 and 151,948 for fiscal year 2023. **Figure 243** shows the actual number of misdemeanor placements on community supervision for fiscal years 2012 to 2021 and the projected number of misdemeanor placements for fiscal years 2022 and 2023. The actual number of misdemeanor placements during fiscal year 2021 was 52,296. The projected number of misdemeanor community supervision placements is 61,674 for fiscal year 2022 and 60,583 for fiscal year 2023. At the beginning of fiscal year 2022, 123 CSCDs served the state’s 254 counties. TDCJ is appropriated \$130.3 million for the basic supervision of individuals on community supervision during the 2022–23 biennium.

In addition to basic supervision funding, TDCJ was appropriated \$250.6 million for the 2022–23 biennium to award discretionary grants to CSCDs, counties, municipalities, and nonprofit organizations. Discretionary grants enable the Community Justice Assistance Division (CJAD) to fund community corrections proposals developed at the local level. Such programs increase diversions from traditional, more costly incarceration and improve the delivery of community supervision statewide. **Figure 244** shows the grant award categories funded for fiscal year 2021.



**FIGURE 243**  
**ACTUAL AND PROJECTED MISDEMEANOR COMMUNITY SUPERVISION PLACEMENTS, FISCAL YEARS 2012 TO 2023**



## NOTES:

- (1) Fiscal year population counts represent the sum of placements for each fiscal year.  
 (2) Counts shown for fiscal years 2012 to 2021 are actual counts; counts shown for fiscal years 2022 and 2023 are projected values.

SOURCES: Legislative Budget Board; Texas Department of Criminal Justice.

The agency was appropriated \$86.4 million for the 2022–23 biennium to continue statutory formula funding for community-based correctional programs that encourage the development of alternatives to incarceration. To be eligible for formula funding, CSCDs must submit an acceptable local strategic plan to CJAD. This state aid provides local entities with increased resources for the control, management, and rehabilitation of those on community supervision, and it typically is used for the same types of programs shown in **Figure 244**.

#### OTHER PROGRAMS

The other programs area includes agency and program administration and support, major repair of facilities, the Office of the Inspector General, information resources, and victim services. TDCJ is appropriated \$157.6 million in All Funds for the 2022–23 biennium for these programs.

TDCJ operates 98 facilities that require regular maintenance and repairs. The Eighty-seventh Legislature, Regular Session, 2021, appropriated \$105.5 million in General Revenue Funds for the repair and rehabilitation of buildings and correctional facilities as a supplemental appropriation for fiscal year 2021. TDCJ did not receive appropriations for this purpose for the 2022–23 biennium, which represents a total decrease of \$163.5 million in All Funds from the 2020–21 biennium.

For the 2022–23 biennium, the information technology program is appropriated \$66.9 million in All Funds, a \$5.5 million increase from the 2020–21 biennium. The Eighty-

**FIGURE 244**  
**COMMUNITY JUSTICE ASSISTANCE DIVISION**  
**DISCRETIONARY GRANT FUNDING, FISCAL YEAR 2021**

PROGRAM TYPE	GRANT PROGRAMS	AMOUNT (IN MILLIONS)
Community corrections facilities	25	\$58.2
Substance abuse treatment programs	57	\$16.1
Caseload reduction grants	26	\$11.3
Substance abuse treatment caseloads and aftercare caseloads	44	\$5.6
Mental health initiative caseloads	39	\$5.0
Sex offender caseloads	19	\$4.1
High-risk/gang/youth/culturally specific caseloads	18	\$1.7
Drug courts	18	\$2.4
Battering intervention and prevention programs	27	\$1.8
Intensive supervision/surveillance caseloads	5	\$0.6
Pretrial Diversion Programs	65	\$4.9
<b>Total</b>	<b>343</b>	<b>\$111.7</b>

SOURCE: Texas Department of Criminal Justice.

sixth Legislature, 2019, appropriated \$24.2 million from the ESF to implement a modern Correction Information Technology System as a supplemental appropriation for fiscal year 2019. House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, extended the appropriation of those

funds for two years because the project was postponed for the 5.0 percent reductions. The 40-year-old mainframe and aging inmate management system requires extensive maintenance, lacks proper security protocol, and is incompatible with modern technologies. TDCJ's appropriations for the Office of the Inspector General, victim services, central administration, and other support services for the 2022–23 biennium total \$90.6 million in All Funds. Appropriations for the Office of Inspector General include an additional \$2.7 million for a salary increase for law enforcement staff.

### **SIGNIFICANT LEGISLATION**

**House Bill 30 – Education programs.** The legislation directs Windham School District to provide a high school diploma option for all students younger than age 18 and younger than age 22 if receiving special education service.

**House Bill 719 – TDCJ transfer facilities.** The legislation removes statutory references to “transfer facilities,” which are no longer operated by the agency. Units will no longer be labeled transfer facilities.

**House Bill 721 – Notification of release to mandatory supervision of certain inmates confined in a county jail.** The legislation directs TDCJ to provide notice to a victim, guardian of a victim, or close relative of a deceased victim that an offender is eligible for release from a county jail to mandatory supervision.

**House Bill 757 – Consequences of deferred adjudication community supervision.** The legislation amends the Texas Code of Criminal Procedure to prohibit the denial, suspension, or revocation of a professional license to an individual who completed deferred adjudication community supervision.

**House Bill 1307 – Care of pregnant women.** The legislation directs TDCJ and local county jails to provide a certain standard of care to pregnant women in custody.

**House Bill 2352 – Educational and vocational training pilot program.** The legislation modifies TDCJ's educational and vocational training pilot program by expanding this opportunity to certain state jail felons and those released on parole. TDCJ and BPP will have to identify at least 100 inmates annually who would be suitable program participants.

**Senate Bill 22 – Claims for benefits, compensation, or assistance by certain public safety employees and their survivors.** The legislation expands the death and disability

benefits potentially available to certain public employees who contracted severe acute respiratory syndrome (SARS-CoV2) or coronavirus disease (COVID-19) in the line of duty. The legislation applies to certain TDCJ employees who contracted COVID-19 at work.

## COMMISSION ON FIRE PROTECTION

**PURPOSE:** To develop professional standards and enforce statewide fire laws to assist local governments in ensuring that the lives and property of the public and fire service providers are protected adequately from fires and related hazards.

**ESTABLISHED:** 1991

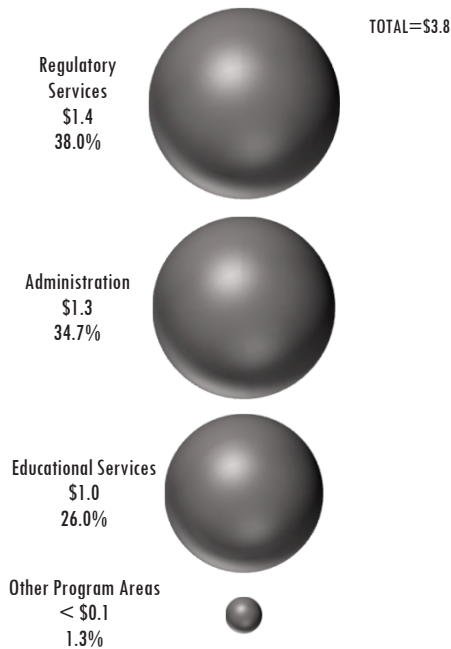
**AUTHORIZING STATUTE:** The Texas Government Code, §419.002

**GOVERNANCE:** Thirteen members appointed by the Governor, with six members being selected from lists provided by certain firefighter associations

**FIGURE 245**  
**COMMISSION ON FIRE PROTECTION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$3.6	\$3.6	\$0.0	0.0%	<table border="1"> <tr> <td>2022</td> <td>29.0</td> </tr> <tr> <td>2023</td> <td>29.0</td> </tr> </table>	2022	29.0	2023	29.0
2022	29.0								
2023	29.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.2	\$0.2	(\$0.0)	(19.7%)					
<b>Total, All Methods of Finance</b>	<b>\$3.8</b>	<b>\$3.8</b>	<b>(\$0.0)</b>	<b>(1.2%)</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The agency certified 35,351 fire service personnel during fiscal year 2021, for an increase of 6,506, or 22.5 percent, from fiscal years 2011 to 2021.

Required fee revenue collections of more than appropriated amounts were maintained at \$1.5 million for the 2022–23 biennium.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Funding for the 2022–23 biennium is limited to revenue collections and is contingent upon the agency collecting \$1.5 million more than the amount appropriated through revenue generated by certification fees.

**PROGRAMS**

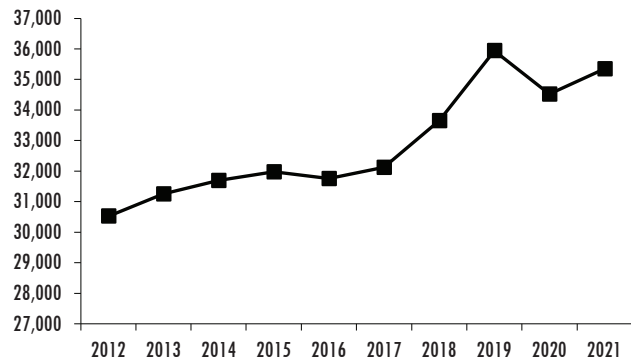
The Texas Commission on Fire Protection’s (TCFP) mission is to protect the lives and property of Texans through the development and enforcement of recognized professional standards, including certification and regulation of fire service personnel, facilities, and equipment, in addition to conducting fire protection education and informational programs. This mission is accomplished primarily through two program areas: regulatory services and educational services.

The agency’s regulatory services program area consists of the certification and compliance programs. The certification program provides certification of full-time and part-time paid fire service personnel and volunteers that have sought certification by the agency. This program also certifies fire service training facilities, including course approval, curriculum development, and administration of performance and written tests. **Figure 246** shows the annual number of fire service personnel receiving TCFP certification since 2012.

The compliance program activities include inspection and investigation of regulated entities, including fire departments, local government entities providing fire protection, and institutions or facilities conducting training for fire protection personnel or recruits. Appropriations for the regulatory service program area total \$1.1 million in General Revenue Funds and 10.0 full-time-equivalent (FTE) positions for each fiscal year of the 2022–23 biennium.

The educational services program area includes the following programs: curriculum development, fire safety information and outreach, and testing. The testing program is the largest of these programs, and it serves to validate the training curriculum taught by fire training schools to ensure that the content of the training materials meets state, national, and international standards. Appropriations for the educational services program area total \$0.1 million for each fiscal year of the 2022–23 biennium and 10.0 FTE positions.

**FIGURE 246**  
**TEXAS COMMISSION ON FIRE PROTECTION FIRE PERSONNEL CERTIFIED, FISCAL YEARS 2012 TO 2021**



SOURCE: Texas Commission on Fire Protection.

**SIGNIFICANT LEGISLATION**

**Senate Bill 709 – Continuing the Commission on Fire Protection.** The legislation continues TCFP until September 1, 2033, and amends the Texas Government Code to authorize the agency to provide biennial renewal for certifications and enter into reciprocity agreements with other state fire personnel certification agencies. The legislation also applies standard provisions for commission member training, committee transparency, and a complaints process.

## COMMISSION ON JAIL STANDARDS

**PURPOSE:** To establish and enforce minimum standards for the provision and operation of jails, and to provide consultation, training, and technical assistance to help local governments comply with those standards.

**ESTABLISHED:** 1975

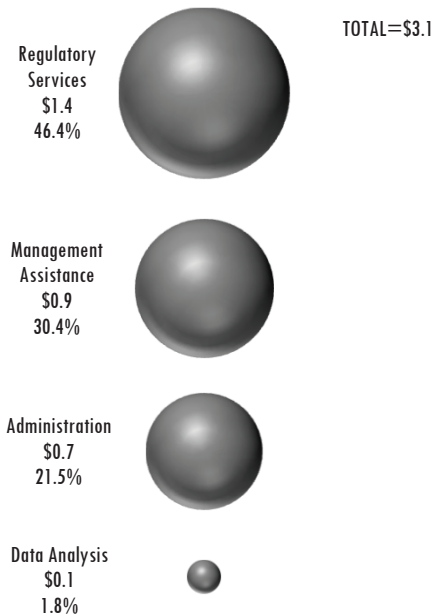
**AUTHORIZING STATUTE:** The Texas Government Code, Chapter 511

**GOVERNANCE:** Nine-member commission appointed by the Governor with the advice and consent of the Senate

**FIGURE 247**  
**COMMISSION ON JAIL STANDARDS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$2.9	\$3.1	\$0.2	7.5%	<table border="1"> <tr> <td><b>2022</b></td> <td>26.0</td> </tr> <tr> <td><b>2023</b></td> <td>26.0</td> </tr> </table>	<b>2022</b>	26.0	<b>2023</b>	26.0
<b>2022</b>	26.0								
<b>2023</b>	26.0								
General Revenue–Dedicated Funds	\$0.1	\$0.0	(\$0.1)	(100.0%)					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	0.0%					
<b>Total, All Methods of Finance</b>	<b>\$3.0</b>	<b>\$3.1</b>	<b>\$0.1</b>	<b>3.9%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The agency conducted 237 annual inspections and 84 special inspections of local jails during fiscal year 2021; 61 jails failed an annual inspection, and 11 jails failed a special inspection. As of August 31, 2021, three jails were noncompliant with minimum jail standards.

During fiscal year 2021, the agency provided mental health training to 1,811 licensed county jailers in 182 counties. The average cost of the 8.0-hour course was \$795.

The agency was appropriated \$0.2 million to provide funding for additional full-time-equivalent positions, cover increased overtime costs, and cover increased travel expenses relating to the agency's role in establishing and inspecting new detention facilities in support of Operation Lone Star.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

The 2022–23 biennial General Revenue Funds and General Revenue–Dedicated Funds appropriations for the Texas Commission on Jail Standards (TCJS) total \$3.1 million, representing a net increase of \$0.1 million from the 2020–21 biennial expenditure level. Significant funding changes are due to an appropriation of \$0.2 million for Operation Lone Star to pay additional full-time-equivalent (FTE) positions, provide employee overtime compensation, and cover increased travel expenses.

**PROGRAMS**

TCJS carries out its responsibilities through four primary program areas: (1) regulatory services, (2) management assistance, (3) data analysis, and (4) correctional operations.

TCJS is the regulatory agency responsible for performing annual inspections and enforcing minimum jail standards for all county jails and privately operated municipal jails in the state. TCJS is responsible for establishing effective jail standards by researching, developing, and disseminating minimum standards and technical assistance for jail construction, health and safety, records and classifications, and operations. The minimum standards for jail construction address requirements for facility maintenance, renovation, and new construction. The standards for jail operations include requirements for custody, care, and offender treatment; offender rehabilitation, education, and recreation programs; and the number of jail supervisory personnel, programs, and services to meet the needs of those incarcerated.

In accordance with state statute, TCJS is required to inspect and report on the conditions of each jail facility under its purview annually. This requirement ensures that all facilities comply with the Texas Administrative Code and the agency’s minimum standards and rules. Inspections include a full walk-through of the correctional facility and offender housing areas, and a review of jailer observation logs, meal plans, medical and recreation records, intake documents,

mental health screening forms, and other documents related to facility operations and offender welfare. TCJS may conduct special inspections for facilities identified by the agency as high-risk or not in compliance with minimum jail standards during a previous inspection. As of September 1, 2021, the 254 Texas counties contained 231 county-operated jails and seven privately operated or combined facilities for a total of 238 facilities within the agency’s purview. During fiscal year 2021, TCJS conducted 237 annual inspections, resulting in 61 failed inspections, and conducted 84 special inspections, resulting in 11 failed inspections. As of August 31, 2021, three jails were noncompliant with minimum jail standards, as shown in **Figure 248**. Appropriations for the regulatory services program area total \$1.4 million for the 2022–23 biennium.

State statute also requires TCJS to provide construction and management assistance to local jails. This assistance includes reviewing and commenting on plans for the construction, major modification, or renovation of county jails. TCJS works with local government officials to provide technical assistance for jail operations and offender management that address the needs of certain facilities. Consultations and technical assistance include developing plans for: (1) establishing an inmate classification system; (2) determining jail staffing patterns; (3) providing health services; (4) meeting sanitation needs; (5) developing inmate discipline and grievance procedures; (6) establishing recreation and exercise programs; (7) implementing education and rehabilitation programs; (8) responding to emergencies; and (9) determining a range of inmate privileges. The agency also provides training sessions in jail management for county staff. Appropriations for the management assistance program area total \$0.9 million for the 2022–23 biennium.

TCJS also is required to collect and analyze monthly data on county jail populations and operational costs. The data is provided to state and local government

**FIGURE 248**  
**TEXAS COMMISSION ON JAIL STANDARDS JAIL INSPECTIONS, FISCAL YEARS 2018 TO 2021**

YEAR	ANNUAL INSPECTIONS	FAILED ANNUAL INSPECTIONS	SPECIAL INSPECTIONS	FAILED SPECIAL INSPECTIONS	NONCOMPLIANT JAILS AT END OF FISCAL YEAR
2018	239	33	61	23	20
2019	241	45	77	30	14
2020	239	39	62	15	10
2021	237	61	84	11	3

SOURCE: Texas Commission on Jail Standards.

**FIGURE 249**  
**COUNTY JAIL POPULATION AND CAPACITY AT THE BEGINNING OF EACH FISCAL YEAR**  
**FISCAL YEARS 2018 TO 2022**

YEAR	INMATES IN COUNTY FACILITIES			TOTAL JAIL CAPACITY	PERCENTAGE OF TOTAL CAPACITY
	LOCAL POPULATION	CONTRACT POPULATION	TOTAL POPULATION		
2018	59,125	6,883	66,008	93,537	70.6%
2019	58,670	8,127	66,797	96,050	69.5%
2020	61,180	8,587	69,769	96,589	72.2%
2021	58,785	6,584	65,342	94,628	69.1%
2022	61,845	6,664	68,509	95,082	72.1%

SOURCE: Texas Commission on Jail Standards.

agencies to assist in planning and predicting incarceration trends in the state. **Figure 249** shows the number of inmates in local facilities, including county jails and privately operated facilities, at the beginning of each fiscal year since 2018. The contract population consists of offenders housed in privately operated facilities and county jail inmates that are from outside the county's jurisdiction (e.g., state offenders, federal detainees). At the beginning of fiscal year 2022, a total of 68,509 inmates in facilities were within TCJS's purview, and overall, the facilities were operating at 72.1 percent of total jail capacity. Appropriations for the data analysis program area total \$0.1 million for the 2022–23 biennium.

House Bill 9, Second Called Session, 2021, appropriated \$214,785 to TCJS from General Revenue Funds for the purpose of providing funding to pay additional full-time equivalent positions, increased overtime costs, and increased travel expenses relating to TCJS's border security-related assistance for Operation Lone Star.

Senate Bill 1849, Eighty-fifth Legislature, Regular Session, 2017, also known as the Sandra Bland Act, amended the Texas Occupations Code to require that county jailers receive at least 8.0 hours of Texas Commission on Law Enforcement accredited mental health training. TCJS employs 1.0 FTE position to provide the required training statewide. County jailers learn how to use the mental health intake screening form, de-escalate a situation in which an individual is experiencing a mental health crisis, and recognize the signs of various mental illnesses. In fiscal year 2021, TCJS provided 8.0 hours of mental health training to 1,811 licensed jailers in 182 counties.

## SIGNIFICANT LEGISLATION

**House Bill 1545 – Continuing the Commission on Jail Standards.** The legislation continues the agency until September 1, 2033, and amends the Texas Government Code to require TCJS to update the commission member training and inmate complaints processes, establish a risk-based approach to jail inspections, and adopt rules for reinspection and escalation of enforcement action against noncompliant jails.

**House Bill 2831 – Confinement in county jail of individuals with intellectual or developmental disabilities.** The legislation requires TCJS to establish an advisory committee to advise and make recommendations on matters related to the confinement in county jail of individuals with intellectual or developmental disabilities.

**House Bill 9, Second Called Session – Supplemental appropriations for border security.** The legislation appropriates \$214,785 from General Revenue Funds for additional FTE positions, increased overtime costs, and increased travel expenses relating to Operation Lone Star.

**Senate Bill 49 – Procedures regarding defendants who may have mental illness or intellectual disability.** The legislation requires that the mental health assessment for confined persons suspected of having mental illness or intellectual disability is shared with officials responsible for the individual in custody, including sheriffs and personal bond officers.

## TEXAS JUVENILE JUSTICE DEPARTMENT

**PURPOSE:** To provide financial and professional assistance to local juvenile probation departments, to provide regulatory oversight of local probation departments, and to ensure public safety and the provision of effective programming and rehabilitative services to juveniles committed to the Texas Juvenile Justice Department state services and facilities.

**ESTABLISHED:** 2012

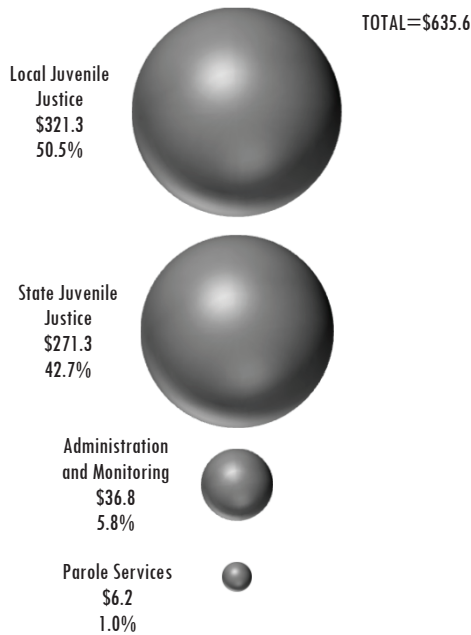
**AUTHORIZING STATUTE:** The Texas Human Resources Code, Title 12, Subtitle A

**GOVERNANCE:** Thirteen-member board appointed by the Governor with the advice and consent of the Senate

**FIGURE 250**  
**JUVENILE JUSTICE DEPARTMENT BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$557.2	\$585.3	\$28.2	5.1%	<b>2022</b> 2,485.7  <b>2023</b> 2,499.2
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$54.0	\$25.6	(\$28.4)	(52.6%)	
Other Funds	\$32.1	\$24.7	(\$7.4)	(22.9%)	
<b>Total, All Methods of Finance</b>	<b>\$643.2</b>	<b>\$635.6</b>	<b>(\$7.6)</b>	<b>(1.2%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations include **\$7.3 million to restore the 5.0 percent budget reductions in the Prevention and Intervention and Commitment Diversion Initiatives programs**, and \$2.6 million to continue supervision funding at secure facilities at 2020–21 biennial levels. Funding also includes \$1.6 million to fund continued operation of body-worn cameras.

Appropriations of \$2.0 million in General Revenue Funds are provided to establish **multisystemic therapy teams in El Paso and Harris counties**.

**The projected state juvenile justice average daily population is 1,009 for fiscal year 2022 and 1,120 for fiscal year 2023.** State juvenile populations have decreased steadily during recent biennia, but Legislative Budget Board projections indicate an increase during the next five years.

SOURCE: Legislative Budget Board.



## MAJOR FUNDING

Appropriations to the Texas Juvenile Justice Department (TJJD) for the 2022–23 biennium total \$635.6 million in All Funds, which is a net decrease of \$7.6 million compared to the 2020–21 biennial expenditure level. Appropriations include the following increases in General Revenue Funds:

- \$7.3 million to restore the 5.0 percent budget reductions in the Prevention and Intervention and Commitment Diversion Initiatives programs;
- \$2.6 million to resume prior biennium supervision funding levels at secure facilities;
- \$2.0 million to establish multisystemic therapy teams in El Paso and Harris counties;
- \$1.6 million to fund continued operation of body-worn cameras; and
- \$0.2 million to fund 2.0 previously filled full-time-equivalent (FTE) positions at the Office of Inspector General.

Appropriations include the following decreases from the 2020–21 biennium:

- \$8.2 million in General Revenue Funds for the elimination of onetime funding appropriated by the Eighty-sixth Legislature, 2019, for deferred maintenance (\$5.0 million) and the purchase of body-worn cameras (\$3.2 million); and
- \$7.5 million in Other Funds for elimination of onetime funding appropriated from the Economic Stabilization Fund for the installation of new overhead camera systems in state facilities in the 2020–21 biennium.

For the 2022–23 biennium, TJJD receives \$13.0 million in pandemic-related federal stimulus funds to replace General Revenue Funds. These funds help to cover salaries and benefits in response to the COVID-19 pandemic.

## PROGRAMS

TJJD carries out its responsibilities through four major program areas: (1) local juvenile justice; (2) state juvenile justice; (3) parole services; and (4) administration and monitoring.

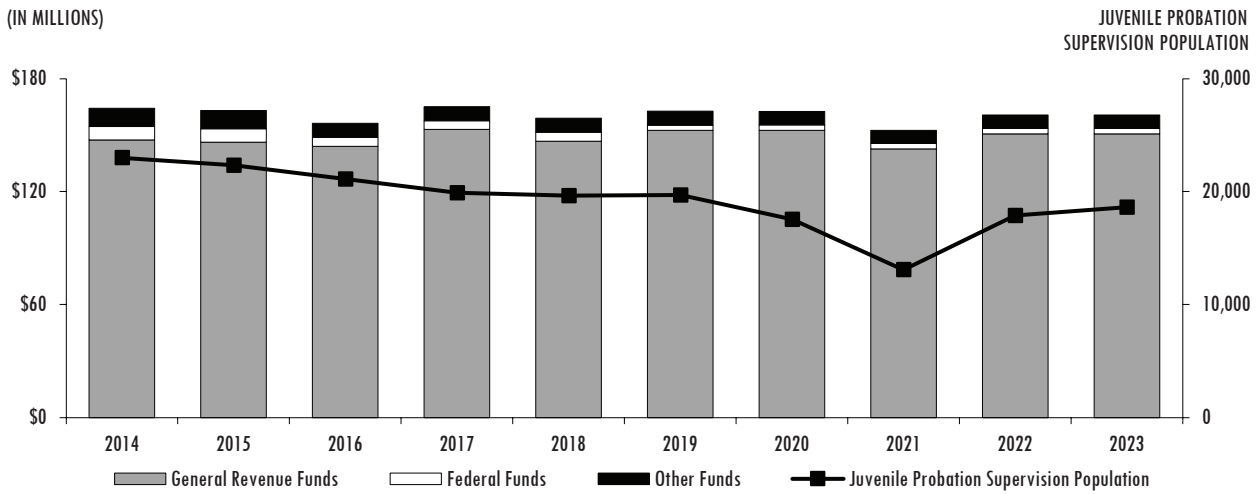
## LOCAL JUVENILE JUSTICE

Local juvenile justice includes 12 programs that provide financial assistance to local juvenile probation departments. TJJD allocates grants to local probation departments to provide basic supervision and various treatment, residential, and outpatient services to juveniles. Appropriations for local juvenile justice total \$321.3 million, and 19.0 FTE positions to support probation grant administration activities. Senate Bill 1630, Eighty-fourth Legislature, 2015, established Regional Diversion Alternatives. This legislation required the development of a regionalization plan among TJJD and juvenile probation departments organized into regions to divert certain youths from state commitment. The Regional Diversion Alternatives program became operational during fiscal year 2017. The target for youths served by the program is 245 per year; during fiscal year 2021, a total of 167 juveniles were diverted from commitment to TJJD facilities through this program. During fiscal years 2020 and 2021, fewer juveniles were presented to probation departments with referrals as local communities adopted policies to slow the spread of COVID-19.

Juveniles are referred to a juvenile probation department primarily by law enforcement, school districts, municipal courts, and justice courts. **Figure 251** shows expenditure levels of juvenile probation departments compared with the average daily population (ADP) of juveniles under the supervision of those departments for fiscal years 2014 to 2021, and appropriations and projected supervision populations for fiscal years 2022 and 2023. The annual number of juveniles on probation supervision decreased steadily from fiscal years 2015 to 2017 but then stabilized during fiscal years 2018 and 2019 before dropping in 2020 and 2021 due to the COVID-19 pandemic. The juvenile probation supervision population is expected to increase during the 2022–23 biennium as the system returns to normal following the pandemic.

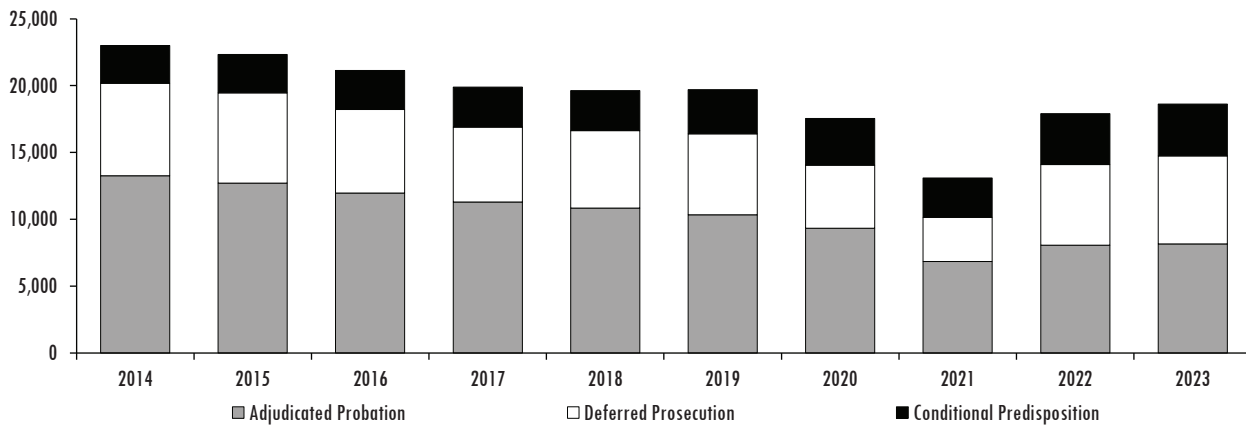
Juveniles are placed on one of three types of supervision authorized by the Texas Family Code, Chapters 53 and 54: adjudicated probation, deferred prosecution, and conditional predisposition. Basic supervision refers to the case management of an individual under supervision by the assigned officer through contacts (e.g., in-person, home, telephone) with the juvenile, family, or others with whom the juvenile is involved. **Figure 252** shows the actual and projected ADP on basic supervision from fiscal years 2014 to 2023 and the type of supervision the juvenile received or is projected to receive.

**FIGURE 251**  
**STATE ASSISTANCE TO LOCAL JUVENILE PROBATION DEPARTMENTS AND JUVENILE SUPERVISION**  
**FISCAL YEARS 2014 TO 2023**



NOTE: Fiscal years 2022 and 2023 supervision populations are projected. Funding levels are based upon June 2020 projections.  
 SOURCES: Legislative Budget Board; Juvenile Justice Department.

**FIGURE 252**  
**JUVENILE JUSTICE DEPARTMENT AVERAGE DAILY POPULATION ON BASIC SUPERVISION, FISCAL YEARS 2014 TO 2023**



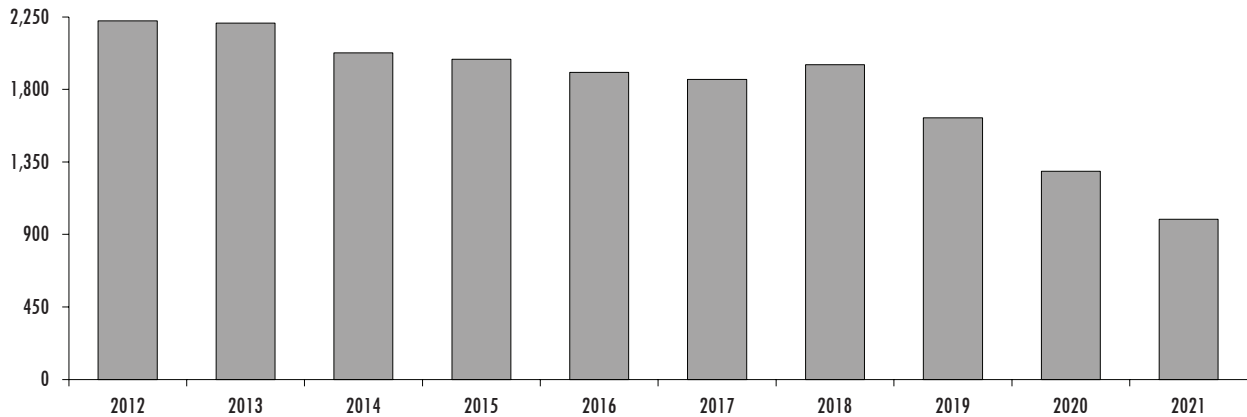
NOTE: Fiscal years 2022 and 2023 supervision populations are projected.  
 SOURCES: Legislative Budget Board; Juvenile Justice Department.

Appropriations for local pre-adjudication and post-adjudication facilities provide grants for the placement of juveniles in local secure and nonsecure residential facilities. Pre-adjudication facilities primarily house juveniles from the time the juvenile is taken into custody after the commission of an offense until the case is heard in juvenile court. Residential post-adjudication facilities provide an alternative to incarceration in state facilities through placement in a locally operated secure or nonsecure facility for juveniles. Departments also contract for nonsecure placements in

facilities licensed by the Department of Family and Protective Services. **Figure 253** shows the ADP of juveniles in residential post-adjudication placements for fiscal years 2012 to 2021. The ADP of juveniles in post-adjudication residential placement decreased each year during that period except during fiscal year 2018.

Juvenile Justice Alternative Education Programs (JJAEP) provide off-campus alternative education programs for students that are removed from the classroom for

**FIGURE 253**  
**JUVENILE JUSTICE DEPARTMENT AVERAGE DAILY POPULATION OF JUVENILES IN RESIDENTIAL POST-ADJUDICATION PLACEMENT, FISCAL YEARS 2012 TO 2021**



SOURCES: Legislative Budget Board; Juvenile Justice Department.

disciplinary reasons. Annual mandatory student attendance days in JJAEPs decreased during most years from school years 2009–10 to 2017–18, then increased 39.9 percent during school year 2018–19. According to TJJD, the increases in school years 2018–19 and 2019–20 are due to a large increase in expulsions for using vaporized tetrahydrocannabinol oil at school. Attendance days decreased during school year 2020–21 due to the effects of the COVID-19 pandemic. The not-to-exceed rate for reimbursement for participating counties is \$96 per day for students that must be expelled pursuant to the Texas Education Code, Section 37.011(a).

TJJD provides training, certification, and technical assistance to local juvenile probation department staff across the state. The agency sets minimum standards for juvenile probation officers and juvenile supervision officers and requires 40.0 hours of continuing education annually. TJJD also provides technical assistance and training for compliance with the federal Prison Rape Elimination Act. Additionally, the Texas Family Code requires TJJD to conduct annual inspections of each of the state’s public or private detention facilities and of secure and nonsecure juvenile post-adjudication facilities. TJJD projects monitoring 32 secure and five nonsecure county post-adjudication facilities and 48 pre-adjudication or detention facilities during the 2022–23 biennium.

#### **STATE JUVENILE JUSTICE**

State juvenile justice facilities include 18 programs that provide education, treatment, and supervision for juveniles that are committed to TJJD state facilities as the result of a

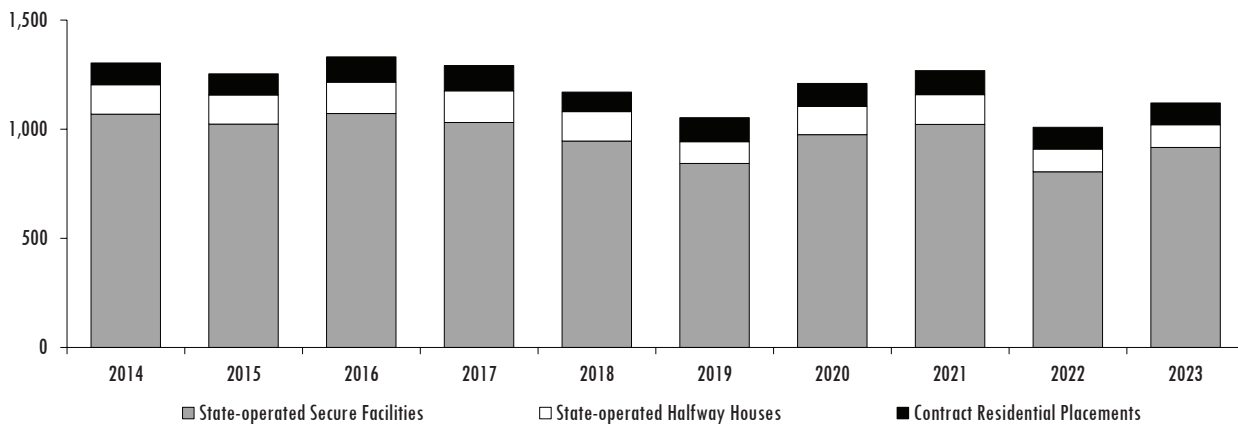
court order related to the commission of a felony. When juveniles are committed to state custody, three categories of facilities are available to TJJD: state-operated secure facilities, state-operated halfway houses, and contract residential placement facilities.

During the 2020–21 biennium, TJJD operated five secure correctional facilities, located in Edinburg, Gainesville, Giddings, Mart, and Brownwood. Services for juveniles within secure facilities include education and workforce programs, healthcare, mental healthcare, and rehabilitation treatment. TJJD emphasizes improved educational levels and achievement of a high school diploma or general equivalency diploma as critical to reducing recidivism. TJJD employs certified teachers for its academic and vocational programs. The agency provides educational programs that target reading and math skills and programs for juveniles that have special education needs. TJJD’s workforce development programs offer juveniles opportunities in vocational skills development.

The projected average state juvenile justice daily population, which includes state-operated secure facilities, halfway houses, and contract residential placements, is 1,009 for fiscal year 2022 and 1,120 for fiscal year 2023. **Figure 254** shows the actual and projected ADP of juveniles in state custody for fiscal years 2014 to 2023.

In addition to secure facilities, at the beginning of fiscal year 2021, TJJD operated six halfway house programs in El Paso, Fort Worth, Harlingen, Roanoke, San Antonio, and Willis. Several of these programs provide specialized independent-living preparedness, aggression replacement therapy, and

**FIGURE 254**  
**JUVENILE JUSTICE DEPARTMENT AVERAGE DAILY POPULATION OF JUVENILES IN STATE CUSTODY**  
**FISCAL YEARS 2014 TO 2023**



NOTE: Fiscal years 2022 and 2023 populations are projected.  
 SOURCES: Legislative Budget Board; Juvenile Justice Department.

substance abuse treatment. Juveniles receive aftercare follow-up programs at all halfway houses.

All juveniles placed in TJJD custody take part in general rehabilitation treatment programs, but specialized treatment to address specific needs also is available. Specialized rehabilitation treatment includes treatment for capital offenders, violent offenders, sex offenders, those with chemical dependency, and those with severe mental health issues. Juvenile programming, healthcare, and educational needs are determined at intake during assessment and orientation. Assessment and orientation operations are performed at the Ron Jackson State Juvenile Correctional Complex in Brownwood. During the assessment and orientation process, staff conduct medical, educational, and psychological testing, assess youth for specialized treatment needs, recommend an initial facility assignment, and develop a comprehensive treatment plan including transitional services. TJJD contracts with the University of Texas Medical Branch at Galveston and private providers for medical and mental healthcare for juveniles in its custody.

Contract residential placement facilities provide specialized treatment for juveniles in less secure residential environments. These facilities include 24-hour residential treatment and services for females with infants, sex offenders, and juveniles with substance abuse issues. The number of contract residential placement beds utilized depends on the specialized needs presented by the juvenile population.

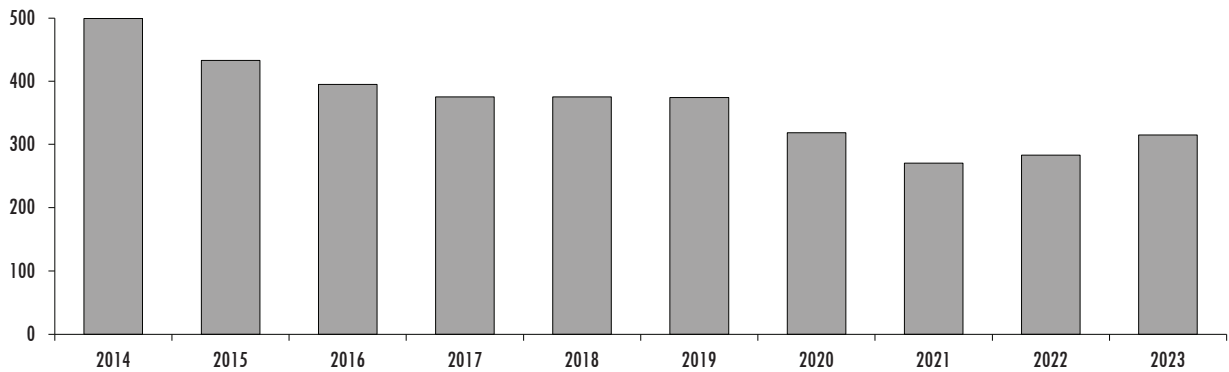
Juveniles can be received into TJJD under an indeterminate or a determinate sentence from the courts. Juveniles with an indeterminate sentence receive a length of stay that is administratively determined by TJJD. TJJD also determines what types of services the juvenile will receive, what level of restriction they require, and when they will be released to parole supervision. Sentenced juveniles receive a specific sentence to TJJD by the juvenile court, pursuant to determinate-sentencing statutes. The determinate-sentence statutes provide that juveniles ages 10 to 16 may be sentenced to 40 years for a capital felony, first-degree, or aggravated controlled-substance felony; up to 20 years for a second-degree felony; and up to 10 years for a third-degree felony, pursuant to the Texas Family Code, Section 54.04.

Included in this program area are appropriations for state-operated juvenile justice programs and services totaling \$271.3 million and 2,241.7 FTE positions. This area includes \$12.0 million and 121.4 FTE positions for the Office of the Inspector General (OIG) and Construction and Repair of TJJD Facilities. Appropriations for the OIG total \$11.2 million for the 2022–23 biennium.

**PAROLE SERVICES**

The parole services program area includes direct supervision and programs and services for juveniles released from residential programs. The agency employs parole officers and contracts with juvenile probation departments and a private contractor to provide a level of supervision determined in relation to the risk posed by the juvenile. A juvenile’s parole

**FIGURE 255**  
**JUVENILE JUSTICE DEPARTMENT AVERAGE DAILY POPULATION OF JUVENILES ON PAROLE SUPERVISION**  
**FISCAL YEARS 2014 TO 2023**



NOTE: Fiscal years 2022 and 2023 populations are projected.  
 SOURCES: Legislative Budget Board; Juvenile Justice Department.

may be revoked and the juvenile will be returned to a TJJD facility if they violate their conditions of parole. **Figure 255** shows the actual and projected ADP of juveniles on parole supervision for fiscal years 2014 to 2023. The projected decrease in the juvenile parole population resulted in a General Revenue Funds decrease of \$1.0 million for the 2022–23 biennium. Parole services appropriations total \$6.2 million and 63.0 FTE positions.

#### **ADMINISTRATION AND MONITORING**

Administration and monitoring includes the oversight and administrative functions of the agency. The Office of the Independent Ombudsman (OIO) is a separate state agency that investigates, evaluates, and secures the rights of juveniles in TJJD state facilities, county-operated facilities, and on TJJD parole. OIO provides families of juveniles within TJJD with various information, including a guide to grievance procedures, a family handbook, prevention information, and a parents' bill of rights. Appropriations for this agency are distributed through TJJD.

Administration and monitoring appropriations total \$36.8 million and 175.5 FTE positions. Included in these totals are appropriations of \$1.8 million and 13.0 FTE positions for the OIO.

#### **SIGNIFICANT LEGISLATION**

**House Bill 1664 – Reinstatement of eligibility for medical assistance of certain children placed in juvenile facilities.** The legislation requires that when a child placed in a juvenile

facility is hospitalized or becomes an inpatient in another type of medical facility, the Health and Human Services Commission reinstates the child's Medicaid eligibility.

**House Bill 2049 – Guardian ad litem for children in the juvenile justice and Child Protective Services systems.** The legislation authorizes the court to appoint a guardian ad litem in certain circumstances for children in the juvenile justice system and Child Protective Services system.

**House Bill 4544 – Providing children committed to the Texas Juvenile Justice Department with state-issued identification on discharge or release.** The legislation requires that children awaiting release under supervision or final discharge are provided necessary documents, including identification papers that include, if available, personal identification certificates obtained pursuant to the Texas Government Code, Section 254.0536.

## TEXAS COMMISSION ON LAW ENFORCEMENT

**PURPOSE:** To screen, develop, and monitor resources for continuing education for law enforcement officers, and set standards for behavior; and to develop, maintain, and enforce minimum qualifications for the selection, training, and certification of law enforcement personnel, county correctional officers, and telecommunicators.

**ESTABLISHED:** 1965

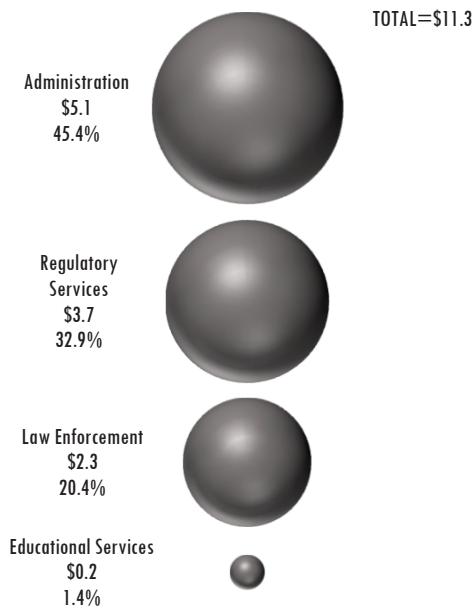
**AUTHORIZING STATUTE:** The Texas Occupations Code, §1701.051

**GOVERNANCE:** Nine-member commission appointed by the Governor with advice and consent of the Senate; three must be chief administrators of law enforcement agencies; three must be individuals licensed by the commission; and three must be from the private sector

**FIGURE 256**  
**TEXAS COMMISSION ON LAW ENFORCEMENT BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$4.9	\$4.2	(\$0.7)	(14.9%)	
General Revenue–Dedicated Funds	\$6.2	\$5.8	(\$0.4)	(5.9%)	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	<b>2022</b> 67.6
Other Funds	\$1.8	\$1.3	(\$0.5)	(29.6%)	
<b>Total, All Methods of Finance</b>	<b>\$12.9</b>	<b>\$11.3</b>	<b>(\$1.6)</b>	<b>(12.6%)</b>	<b>2023</b> 67.6

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Appropriations of \$2.3 million are provided for law enforcement**, including the agency's Enforcement, Border Security – Investigations, and Civil Justice Repository programs. A portion of the funding supports 2.0 FTE investigator positions dedicated to border security efforts.

**Standards Development appropriations increase by \$1.3 million**, which includes funding for 6.0 FTE positions for the curriculum staff, and funding to reimburse volunteer curriculum committee participants for travel and per diem expenses.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Appropriations for the 2022–23 biennium total \$11.3 million in All Funds, which is a net decrease of \$1.6 million, or 12.6 percent. Appropriation increases include the following amounts:

- \$1.3 million in General Revenue–Dedicated Funds from Account No. 116, Law Enforcement Officer Standards and Education (Account No. 116), to fund 6.0 additional full-time-equivalent (FTE) positions for the curriculum staff to oversee law enforcement training, and funding to reimburse volunteer curriculum committee participants for travel and per diem expenses;
- \$1.1 million in General Revenue Funds to develop and establish a mental health peer support network for law enforcement officers;
- \$0.9 million in General Revenue Funds to establish preemployment screening procedures and 2.0 additional FTE positions pursuant to Senate Bill 24, Eighty-seventh Legislature, Regular Session, 2021; and
- \$0.1 million in General Revenue Funds to conduct a study on the salaries of peace officers in the state and throughout the U.S.

These increases are offset primarily by the following amounts:

- \$3.6 million in General Revenue Funds was appropriated in the 2020–21 biennium for the purchase of the Commission on Law Enforcement Data Distribution System (TCLEDDS) and \$1.0 million in General Revenue Funds for an additional 6.0 FTE positions to work on TCLEDDS and support other information technology issues; and
- \$0.5 million in Other Funds from Interagency Contracts – Criminal Justice Grants was provided by the Office of the Governor during the 2020–21 biennium as onetime grants.

Appropriations of \$1.0 million in General Revenue Funds for each fiscal year of the 2022–23 biennium was provided as a method-of-finance adjustment to address the depleting fund balance of Account No. 116. In addition, Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, appropriated \$5.8 million in Federal Funds from pandemic-related stimulus funds for deposit to Account No. 116 to address matters related to shortfalls in court fee collections.

## PROGRAMS

The Texas Commission on Law Enforcement (TCOLE) licenses, regulates, and provides continuing education for more than 113,000 active law enforcement, corrections, and telecommunicator personnel that are employed by more than 2,750 state and local government agencies. The agency executes these functions primarily through four program areas: (1) law enforcement, (2) regulatory services, (3) educational services, and (4) administration.

The law enforcement program area serves to revoke, suspend, or cancel licenses, and to issue reprimands to licensees for violations of statutes or TCOLE rules. It includes the Enforcement, Border Security Investigations, and Civil Justice Repository programs. Inquiries are initiated when information emerges about actions by licensed personnel that may result in disciplinary action or investigation. This program area is appropriated \$2.3 million in All Funds and 16.1 FTE positions for the 2022–23 biennium. A portion of this funding supports 2.0 investigator positions dedicated to liaising with the Department of Public Safety regarding border security efforts.

The regulatory services program area includes the licensing and standards development programs. The licensing program issues licenses to individuals, including peace officers, contract jailers, telecommunicators, and school marshals, and to law enforcement agencies that demonstrate required competencies through appropriate examinations and other qualification criteria.

Unlike peace officer standards and training commissions in most states, TCOLE does not operate a police academy. TCOLE licenses state and local governments to operate training academies with a curriculum that must conform to basic standards. Texas has 114 licensed law enforcement academies and 201 contractual training providers that offered approximately 1,770 law enforcement training courses during fiscal year 2021. Austin Community College offers an alternative program, which enables a student to complete peace officer academy training while simultaneously earning an associate's degree. TCOLE maintains a statewide network of 75 facilities for administering licensing examinations. During fiscal year 2021, TCOLE administered 10,668 licensing exams and issued 15,745 new licenses. **Figure 257** shows the number of licenses the agency issued from fiscal years 2014 to 2021.

During fiscal year 2018, TCOLE received \$0.1 million in Interagency Contracts – Criminal Justice Grants

through the Office of the Governor, Criminal Justice Division, to meet the Governor’s priority of increasing the number of school marshals before school year 2018–19. Before the first grant-funded course during fiscal year 2018, the state had 34 appointed school marshals. As of August 2021, the state had 243 appointed school marshals, and 85 marshals had been trained but not yet appointed. The Eighty-seventh Legislature, Regular Session, 2021, did not appropriate additional funding for the school marshal training for the 2022–23 biennium. The majority of the costs for future trainings will be assessed to the academies and contract vendors.

The standards development program establishes standards for enrollment in licensing courses for law enforcement officers, contract jailers, telecommunicators, school marshals, and law enforcement agencies. This program also oversees the development and delivery of law enforcement training and education in Texas. The regulatory services program area is appropriated \$3.7 million in All Funds and 26.6 FTE positions for the 2022–23 biennium.

The educational services program area includes distance learning program, which operates and maintains TCOLE Online, previously known as the Peace Officers Standards Education Internet Training program. TCOLE Online enables peace officers to enroll in continuing education courses online. Beginning in fiscal year 2012, TCOLE Online has been funded by revenues collected by the agency from issuing intermediate, advanced, and master peace officer and jailer certifications. This program is appropriated \$0.2 million in All Funds for the 2022–23 biennium.

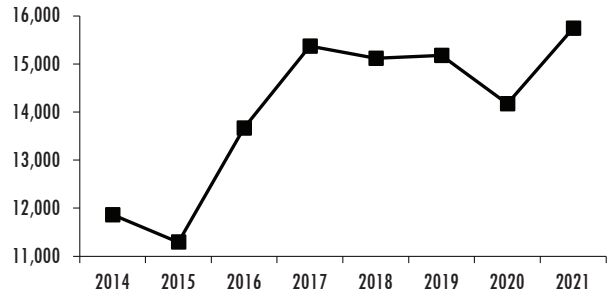
The administration program area includes the technical assistance and indirect administration programs. The technical assistance program provides technical assistance to licensees. The agency also conducts audits and investigations to enforce rules and standards and to verify licensees’ qualifications.

The administration program supports agency functions and the other program areas through budgeting, payroll, and human resource services. The program area is appropriated \$5.1 million in All Funds and 24.9 FTE positions for the 2022–23 biennium.

**SIGNIFICANT LEGISLATION**

**House Bill 929 – Policies and procedures regarding body-worn cameras.** The legislation requires a law enforcement agency’s body-worn camera policy to ensure

**FIGURE 257  
TEXAS COMMISSION ON LAW ENFORCEMENT  
NEW LICENSES ISSUED  
FISCAL YEARS 2014 TO 2021**



SOURCE: Texas Commission on Law Enforcement.

that a body-worn camera is activated only for a law enforcement purpose and to include certain provisions, such as the application of video and audio recorded by the cameras as evidence.

**House Bill 1938 – Grant program for data storage costs for body-worn camera recordings.** The legislation authorizes a law enforcement agency to apply for a grant to help defray the cost of data storage from recordings created with body-worn cameras.

**Senate Bill 24 – Procedures required before a law enforcement agency hires certain individuals.** The legislation establishes preemployment screening procedures that hold both the law enforcement officer applying for a position and the hiring law enforcement agency accountable by requiring the agency to review pertinent records of prior conduct and activities, including other background information about the officer, before the individual may be hired by the agency.

**Senate Bill 64 – Peer support network for certain law enforcement personnel.** The legislation develops a mental health peer support network for law enforcement officers and requires TCOLE to report to the Governor and the Legislature no later than December 1 each year the number of officers who received peer support, the number of peers and coordinators trained, an evaluation of the services provided, and recommendations for program improvements.

**Senate Bill 713 – Continuing TCOLE.** The legislation extends TCOLE for an additional two fiscal years, and the agency will be subject to a limited-scope review by the Sunset Advisory Commission during the Eighty-eighth Legislature, 2023.



## TEXAS MILITARY DEPARTMENT

**PURPOSE:** To provide administrative and financial resources for state activities conducted by the three branches of the Texas military forces: the Texas Army National Guard, the Texas Air National Guard, and the Texas State Guard.

**ESTABLISHED:** 1905

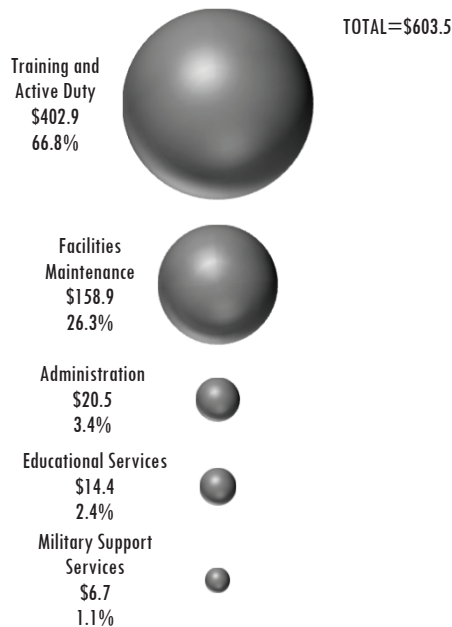
**AUTHORIZING STATUTE:** The Texas Government Code, Chapter 437

**GOVERNANCE:** Adjutant General, appointed by the Governor with the advice and consent of the Senate

**FIGURE 258**  
**TEXAS MILITARY DEPARTMENT BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$78.3	\$441.6	\$363.2	463.8%	<table border="1"> <tr> <td><b>2022</b></td> <td>687.5</td> </tr> <tr> <td><b>2023</b></td> <td>687.5</td> </tr> </table>	<b>2022</b>	687.5	<b>2023</b>	687.5
<b>2022</b>	687.5								
<b>2023</b>	687.5								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$142.2	\$141.8	(\$0.3)	(0.2%)					
Other Funds	\$39.5	\$20.1	(\$19.4)	(49.2%)					
<b>Total, All Methods of Finance</b>	<b>\$260.0</b>	<b>\$603.5</b>	<b>\$343.5</b>	<b>132.1%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Appropriations of \$389.6 million in General Revenue Funds** are provided for border security activities as part of Operation Lone Star for the 2022–23 biennium. The agency has participated in border security since 2006.

Appropriations for military support services increased **\$0.2 million for a sexual assault response coordinator and \$0.3 million for competency-based education programs.**

Appropriations for the State of Texas Armory Revitalization (STAR) program increased by \$0.6 million in General Revenue Funds and \$0.6 million in federal matching funds for facilities management operations. **Supplemental appropriations include \$2.3 million in General Revenue Funds and \$1.0 million in Federal Funds for STAR Revitalization.**

**Agency appropriations for State Training Missions include \$1.7 million in General Revenue Funds, including an increase of \$0.3 million for additional riot gear equipment. Eight (8.0) full-time-equivalent positions** are provided to recruit, train, and equip Texas State Guard members.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Appropriations for the 2022–23 biennium total \$603.5 million in All Funds, which is a net increase of \$343.5 million compared to the 2020–21 biennial expenditure level, primarily as the result of the following increases:

- \$389.6 million in General Revenue Funds for Operation Lone Star and other supporting border security activities;
- \$0.6 million in General Revenue Funds and \$0.6 million in federal matching funds for facilities management operations;
- \$0.3 million in General Revenue Funds for competency-based education programs;
- \$0.3 million in General Revenue Funds for riot gear; and
- \$0.2 million in General Revenue Funds for a sexual assault response coordinator.

These increases are offset primarily by the following decreases in appropriations compared to the 2020–21 biennium:

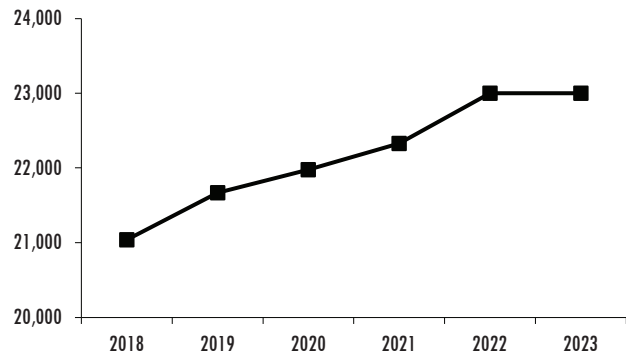
- \$2.6 million in General Revenue Funds for Debt Service and State Military Tuition Assistance, pursuant to the 5.0 percent baseline reduction requirement;
- \$19.4 million in Other Funds from the Economic Stabilization Fund for Office of the Governor’s disaster grants related to the agency’s civil disturbance response; and
- \$3.3 million for State Active Duty – Disaster funding for COVID-19, Hurricane Harvey Public Assistance Grants.

In addition, House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, appropriated \$22.3 million in General Revenue Funds for border security related to Operation Lone Star and \$3.3 million in All Funds for the State of Texas Armory Revitalization (STAR) program for fiscal year 2021.

**PROGRAMS**

The Texas Military Department (TMD) carries out its responsibilities through five major program areas: (1) training and active duty, (2) facilities maintenance

**FIGURE 259**  
**TEXAS NATIONAL GUARD MEMBERS**  
**FISCAL YEARS 2018 TO 2023**



NOTE: Amounts for fiscal years 2022 and 2023 are projected.  
SOURCES: Legislative Budget Board; Texas Military Department.

and operations, (3) educational services, (4) military support services, and (5) administration.

**TRAINING AND ACTIVE DUTY**

This program area encompasses activities of the Texas military forces (TXMF): the Texas Army National Guard and the Texas Air National Guard (collectively, TXNG), and the Texas State Guard (TXSG). Approximately 24,149 service members are serving in the Texas military forces, making it the largest state military force in the U.S. **Figures 259** and **260** show trends during recent years in the number of personnel serving in the TXNG and TXSG, respectively. Appropriations for the training and active-duty program total \$402.9 million in All Funds.

TXNG consists of 22,327 service members, and it has a dual mission. First, the Governor may order the TXNG to active duty to provide trained and equipped military personnel to assist civil authorities in the protection of life and property and the preservation of law, order, and public safety in the state. TXNG’s second role is as a first-line reserve component of the U.S. Army and the U.S. Air Force, and it may be called into active federal service by the President to provide military personnel for war, national emergencies, or to augment active forces in the interest of national security. Members provide emergency response support to law enforcement, support to civil authorities, cold weather operations support, and response to wildfire outbreaks, as needed. TXNG members currently are supporting major federal operations in the Middle East.

TXNG also has participated in border security missions in the state since fiscal year 2006, with missions primarily

being funded federally until fiscal year 2014. The Eighty-seventh Legislature, Regular Session and Second Called Session, 2021, appropriated \$389.6 million in General Revenue Funds for TXNG's continued border security involvement as part of Operation Lone Star for the 2022–23 biennium. In addition, TMD received a supplemental appropriation of \$22.3 million for border security activities during the 2020–21 biennium.

The other component of the Texas military forces, TXSG, is an all-volunteer state defense force, subject to active duty when called by the Governor to serve Texas in time of emergency. **Figure 260** shows the actual and projected number of TXSG members for fiscal years 2018 to 2023. During fiscal year 2021, approximately 1,822 TXSG members were in military units typically placed with TXNG units. TMD estimates 31,131 TXSG and TXNG training days per year for the 2022–23 biennium. Geographic restructuring and the effects of the COVID-19 pandemic decreased the number of TXSG members in fiscal year 2020.

The Eighty-seventh Legislature, 2021, appropriated \$13.3 million in All Funds to TMD to ensure training and operational readiness of the Texas military forces for disaster relief, emergency missions, nonemergency homeland security, and humanitarian aid.

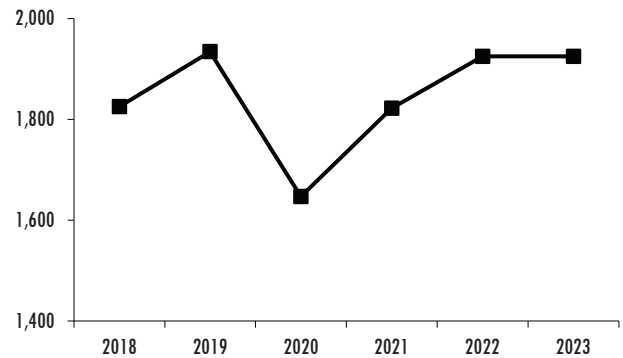
#### **FACILITIES MAINTENANCE AND OPERATIONS**

The facilities maintenance and operations program includes the utilities, repair, and maintenance of military facilities and equipment owned or licensed by the state that are located on state or federal property. For the 2022–23 biennium, the agency will maintain approximately 3,706 buildings, totaling more than 7.2 million square feet, across the state. Appropriations for the facilities maintenance program area total \$158.9 million in All Funds for the 2022–23 biennium, which represents a \$1.4 million decrease from 2020–21 biennial expenditure levels.

The Eighty-seventh Legislature, 2021, appropriated \$25.0 million in All Funds for the STAR Program to continue ongoing renovation of the readiness centers, including \$10.0 million in General Revenue Funds and \$15.0 million in Federal Funds. The four TMD State of Texas Army Revitalization (STAR) readiness center projects for the 2022–23 biennium are located in Brownwood, New Braunfels, San Antonio, and Weatherford.

The Eighty-seventh Legislature, 2021, appropriated an additional \$1.2 million in All Funds, including \$0.6 million

**FIGURE 260**  
**TEXAS STATE GUARD MEMBERS**  
**FISCAL YEARS 2018 TO 2023**



NOTE: Amounts for fiscal years 2022 and 2023 are projected.

SOURCES: Legislative Budget Board; Texas Military Department.

in General Revenue Funds and \$0.6 million in Federal Funds, and 9.0 full-time-equivalent (FTE) positions for facilities maintenance and engineering. Supplemental appropriations for the 2020–21 biennium include a \$2.3 million increase in General Revenue Funds and a \$1.0 million increase in Federal Funds for the STAR program.

#### **EDUCATIONAL SERVICES**

The educational services program area primarily consists of the ChalleNGe Academy program, the STARBASE program, and the military tuition assistance program. The ChalleNGe Academy is a five-month residential cooperative program and yearlong mentoring program between Texas and the National Guard Bureau. The ChalleNGe Academy is a military-style training, education, and skills program serving a projected 260 youths per year. ChalleNGe targets youths, ages 16 to 18, that have dropped out of high school or are at risk of not completing high school with the goal of helping them earn diplomas, certificates of high school general equivalency, or additional high school credits. The ChalleNGe Academy is funded through a combination of Federal Funds and an Interagency Contract from the Foundation School Program. The total All Funds appropriation for the ChalleNGe Academy is \$10.8 million in All Funds for the 2022–23 biennium.

STARBASE is a five-week, in-class, interactive, academic outreach program that aims to increase middle school youths' interest and knowledge in science, math, engineering, and technology fields. STARBASE is funded with Federal Funds from the National Guard Bureau, totaling \$1.6 million for the 2022–23 biennium.

Texas military forces members use state military tuition assistance for tuition costs and mandatory fees associated with postsecondary education. The military tuition assistance program is the only type of educational assistance available for certain Texas military forces members. The Eighty-seventh Legislature, 2021, appropriated \$1.6 million in General Revenue Funds for tuition assistance for the 2022–23 biennium, which includes a \$0.3 million increase for a competency-based educational degree program and a \$1.9 million decrease related to the 5.0 percent reduction as directed by state leadership.

Appropriations for the educational services program area total \$14.4 million in All Funds for the 2022–23 biennium.

**MILITARY SUPPORT SERVICES**

The military support services program area includes the mental health services program. The program provides counseling services to service members of TXNG and TXSG. The program previously provided counseling services for National Guard and State Guard members, families, and veterans. **Figure 261** shows the actual number of individuals served through TMD’s mental health services from fiscal years 2018 to 2023. For the 2022–23 biennium, TMD estimates that approximately 4,000 TXMF service members per fiscal year will receive mental health sessions. This measure previously included group training and now is defined as individual sessions. Appropriations for the military support services program area total \$6.7 million, including \$0.2 million in General Revenue Funds for a sexual offense prevention and response position and \$4.6 million for family readiness services.

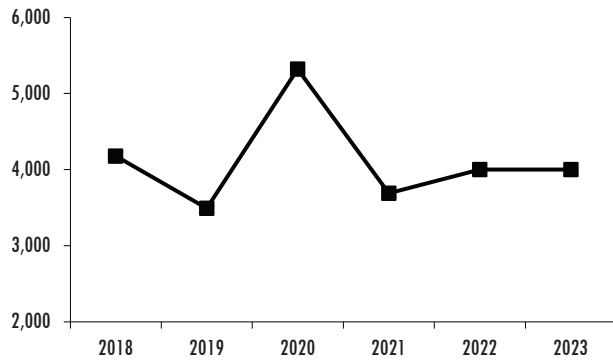
**ADMINISTRATION**

Administration programs include debt service on outstanding bonds, insurance, audit fees, and administrative fees to finance the state costs of armory construction and major maintenance and repair, and the central administration, finance, and human resource divisions of the agency. TMD is appropriated 97.8 FTE positions to provide these services for all state military employees and TXMF members. Appropriations for the administration program for the 2022–23 biennium total \$20.5 million.

**SIGNIFICANT LEGISLATION**

**House Bill 1062 – Eligibility of certain individuals to serve at age 17.** The legislation would authorize individuals to serve in the Texas State Guard at age 17 if certain conditions are met.

**FIGURE 261**  
**TEXAS MILITARY DEPARTMENT CLIENTS RECEIVING**  
**MENTAL HEALTH SERVICES**  
**FISCAL YEARS 2018 TO 2023**



NOTE: Fiscal years 2022 and 2023 populations are projected.  
 SOURCES: Legislative Budget Board; Texas Military Department.

**House Bill 1589 – Paid leave for public officers and employees engaged in military service.** The legislation amends the Texas Government Code to provide paid leave, not to exceed seven days, to Texas military service members called to state active duty in response to a disaster.

**Senate Bill 484 – Right to retain private legal counsel and file civil action.** The legislation amends the Texas Government Code to permit a Texas military forces service member ordered to state active duty or training, and who is entitled to certain benefits and protections, to retain private legal counsel and file a civil action in state district court in certain circumstances.

**Senate Bill 623 – Establishment of a state sexual offense prevention and response.** The legislation creates a state sexual offense prevention and response program with a sexual offense response coordinator. The legislation requires TMD to submit an annual report on program activities related to sexual offense prevention and response. TMD was appropriated \$0.1 million in General Revenue Funds per fiscal year for an additional 1.0 FTE position for a sexual assault response coordinator.

**Senate Bill 793 – Ribbon for service members of the military.** The legislation amends the Texas Government Code to establish the Texas Border Security and Support Service Ribbon to be awarded to certain service members.

## DEPARTMENT OF PUBLIC SAFETY

**PURPOSE:** To enforce laws protecting and promoting public safety by the prevention and detection of crime; improve highway safety and public safety communications; and provide regulatory and licensing services.

**ESTABLISHED:** 1935

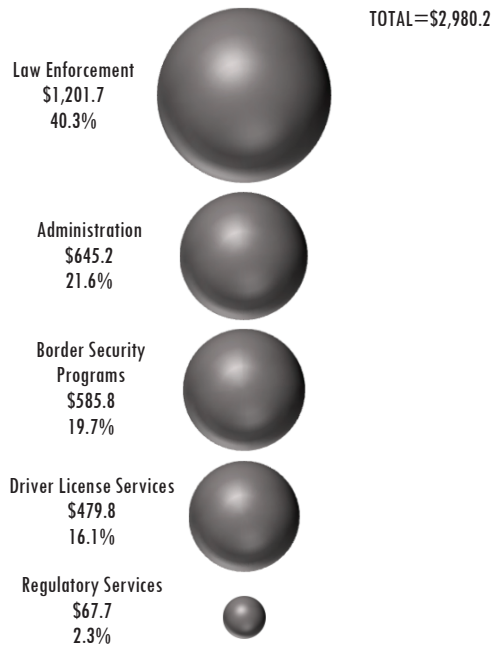
**AUTHORIZING STATUTE:** The Texas Government Code, §411.002

**GOVERNANCE:** Five-member board appointed by the Governor and confirmed by the Senate; members must have and maintain a secret security clearance granted by the U.S. government

**FIGURE 262**  
**DEPARTMENT OF PUBLIC SAFETY BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$2,014.3	\$2,313.4	\$299.1	14.9%	<b>2022</b> 11,388.7  <b>2023</b> 11,388.7
General Revenue–Dedicated Funds	\$31.8	\$30.8	(\$1.0)	(3.3%)	
Federal Funds	\$1,017.1	\$503.2	(\$513.9)	(50.5%)	
Other Funds	\$165.3	\$132.8	(\$32.5)	(19.7%)	
<b>Total, All Methods of Finance</b>	<b>\$3,228.5</b>	<b>\$2,980.2</b>	<b>(\$248.3)</b>	<b>(7.7%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Appropriations include \$118.5 million** in General Revenue Funds to provide law enforcement and communication officer salary increases for the 2022–23 biennium.

**Border security funding includes \$585.8 million** in All Funds in addition to **\$356.8 million** for salary, overtime, and 6.0 tactical marine unit vessels funded in other agency programs.

**Funding totals \$30.1 million** in General Revenue Funds for the Department of Public Safety to **conduct a minimum of five trooper recruit schools** for the 2022–23 biennium.

**Appropriations provide \$39.1 million in General Revenue Funds to enhance Capitol security**, which includes \$36.3 million for 65.0 full-time-equivalent (FTE) trooper positions, 5.0 agent positions, and 2.0 analyst positions. In addition, funding includes \$1.8 million for equipment and \$0.6 million to enhance bomb dog capabilities and 2.0 additional FTE positions.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Appropriations for the Department of Public Safety (DPS) for the 2022–23 biennium total \$2,980.2 million in All Funds, which is a net decrease of \$248.3 million, or 7.7 percent, from the 2020–21 biennial expenditure level. Appropriation increases include the following amounts in General Revenue Funds:

- \$118.5 million for law enforcement and communication officer salary increases;
- \$56.7 million to support reassigning 100 state troopers along the Texas–Mexico border;
- \$39.1 million to enhance Capitol security, including equipment, bomb dog capabilities, and 74.0 additional full-time-equivalent (FTE) positions;
- \$14.0 million to purchase or lease, furnish, and equip a new Mega Center driver license office in League City; and
- \$6.1 million for an additional trooper recruit school.

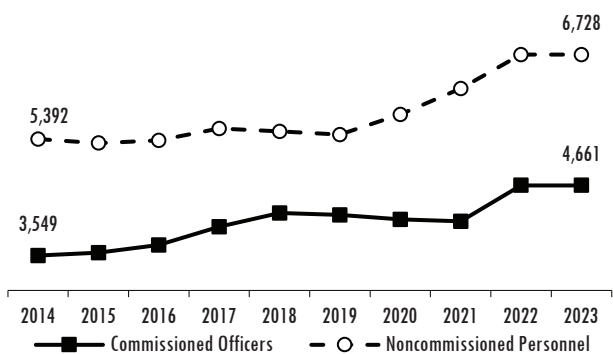
These increases are offset by decreases in General Revenue Funds from onetime funding projects, such as driver license offices and law enforcement centers, in the previous biennium totaling \$58.9 million, and \$104.8 million for vehicle replacement. Other decreases include \$14.9 million in General Obligation Bond Proceeds expended during the 2020–21 biennium and \$333.7 million in Federal Funds attributed primarily to onetime relief funding and public assistance grants related to Hurricane Harvey and projected reimbursements for costs related to the COVID-19 pandemic in fiscal year 2020.

The Eighty-seventh Legislature, Regular Session, 2021, decreased fiscal year 2022 appropriations from General Revenue Funds by \$89.0 million as a method-of-finance adjustment with COVID-19 pandemic-related federal stimulus funds to cover salaries and benefits in response to the pandemic.

House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, provides DPS with the following increases in fiscal year 2021:

- \$104.8 million in General Revenue Funds for the purchase of capital transportation and motor vehicles;
- \$29.1 million in General Revenue Funds for support of border security deployment and equipment;

**FIGURE 263**  
**DEPARTMENT OF PUBLIC SAFETY COMMISSIONED AND NONCOMMISSIONED STAFF, FISCAL YEARS 2014 TO 2023**



NOTES:  
 (1) Positions shown for fiscal years 2014 to 2021 are actual full-time-equivalent (FTE) positions.  
 (2) Positions shown for fiscal years 2022 and 2023 are appropriated FTE positions.  
 SOURCES: Legislative Budget Board; Department of Public Safety.

- \$22.0 million in Other Funds from the Economic Stabilization Fund (ESF) for bullet-resistant windshields and windows for Texas Highway Patrol equipment;
- \$3.8 million in General Revenue Funds for deferred maintenance of state buildings;
- \$3.0 million from the ESF for the purpose of building a consolidated law enforcement center with the Brazoria County Sheriff’s Office; and
- \$1.0 million in General Revenue Funds for legacy system modernization and legacy and end-of-life system replacement.

House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, appropriated DPS with an increase of \$154.8 million in General Revenue Funds for additional border security in the 2022–23 biennium.

**FULL-TIME-EQUIVALENT POSITIONS**

As shown in **Figure 263**, the total number of FTE positions employed by DPS increased by 27.4 percent, from 8,940.8 positions during fiscal year 2014 to 11,388.7 appropriated positions for fiscal year 2023. **Figure 263** also shows that, as part of the total positions, the number of commissioned peace officers increased from 3,549.0 FTE positions to 4,661.0 positions, or 31.3 percent, primarily attributable to increases in state trooper presence along the Texas–Mexico border and new human trafficking and anti-gang task forces.

During the same period, the number of noncommissioned staff increased from 5,391.8 FTE positions to 6,727.7 positions, or 24.8 percent, primarily attributed to increased staffing to support the new state troopers.

DPS replenishes its cadre of active troopers by operating recruit schools at various times of the year. DPS trains qualified trooper applicants through a 29-week recruit school that graduates successful recruits as probationary troopers. DPS is appropriated \$30.1 million to conduct a minimum of five recruit school classes in the 2022–23 biennium with an estimated graduation rate of 92 new troopers per class.

## PROGRAMS

DPS is organized into 15 major divisions: aircraft operations, criminal investigations, driver license, education, finance, general counsel, information technology, infrastructure operations, intelligence and counterterrorism, law enforcement, support, media and communications office, regulatory services, Texas Highway Patrol, the Texas Rangers, and training and research.

DPS accomplishes its mission of enforcing laws protecting and promoting public safety and providing for the prevention and detection of crime through five primary program areas: (1) law enforcement; (2) border security; (3) driver license; (4) regulatory services; and (5) administration.

### LAW ENFORCEMENT

The law enforcement program area focuses on the agency's core mission to promote improved public safety outcomes by eliminating high-threat criminal organizations, enhancing highway security, providing forensic evidence analysis and access to criminal justice and emergency information, facilitating interoperable public safety communications, and conducting investigations that result in the incarceration of corrupt public officials and high-threat criminals. Appropriations for the law enforcement program area for the 2022–23 biennium total \$1,201.7 million in All Funds. The primary functions of this program area are accomplished through the traffic enforcement, criminal investigations, intelligence, counterterrorism, joint crime information center, crime laboratory services, and crime records services programs.

### TRAFFIC ENFORCEMENT

The largest program within the law enforcement program area is traffic enforcement, which includes the Texas Highway Patrol Division (THPD). THPD maintains

public safety in Texas through the enforcement of traffic and criminal laws. It also has regulatory responsibilities in the areas of commercial vehicle and motor carrier regulations. THPD assists in disaster response activities and provides security and law enforcement for the Capitol and the Capitol Complex. Program-level funding for traffic enforcement totals \$459.5 million in All Funds for the 2022–23 biennium; appropriations for THPD are included in several programs and total \$613.3 million for the 2022–23 biennium with an anticipated staffing level for fiscal year 2023 of 2,895.0 FTE positions, including commissioned officers and support staff.

### CRIMINAL INVESTIGATIONS

The criminal investigation functions of the agency include the Texas Ranger and Criminal Investigations divisions. The Criminal Investigations Division (CID) is responsible for conducting criminal enterprise investigations targeting organized criminal groups that constitute the greatest threats to the state. CID includes programs focused on human and drug trafficking, gang activity, and other specialized investigations such as fraud, cargo theft, vehicle theft, and illegal gambling. CID works closely with local, state, and federal agencies to identify and arrest high-threat criminals such as sex offenders and other violent fugitives. Other CID responsibilities include enforcement duties related to sex offender registration compliance and the monitoring of civilly committed sex offenders. CID also provides polygraph services and technical investigative support within DPS and to other law enforcement agencies. Organizationally, CID is divided into four specialized sections: Organized Crime, Special Investigations, Investigative Support, and Administration.

The Texas Ranger Division's (TRD) primary responsibilities include major crime investigation, and investigation of public corruption and criminal conduct by DPS staff. TRD specializes in and assists local police agencies with investigating felony offenses such as murder, sexual assault, and robbery. TRD also operates the Unsolved Crimes Investigation Program (UCIP) and the Public Integrity Unit (PIU). UCIP investigates murders, missing persons cases, or linked criminal transactions that are no longer active within other law enforcement agencies. PIU conducts public corruption investigations and includes fiscal and criminal analytical resources. During fiscal year 2021, criminal investigations by the Texas Rangers resulted in 964 arrests.

TRD also includes a Special Operations Group that has oversight of the agency's Special Weapons and Tactics Team, Regional Special Response Teams, Ranger Reconnaissance Team, Crisis Negotiations Unit, Explosive Ordnance Disposal Unit, Joint Operations Intelligence Centers, and the Border Security Operations Center.

#### **INTELLIGENCE**

DPS's Intelligence and Counterterrorism Division (ICTD) serves as a statewide intelligence entity that leverages DPS's intelligence and fusion capabilities with those of other intelligence entities. ICTD gathers and disseminates criminal intelligence information related to terrorist activities to advance homeland security initiatives. It also is responsible for the Texas Fusion Center, located in Austin, which works with federal, state, regional, and local law enforcement and serves as the state repository for homeland security information and incident reporting. The Texas Fusion Center provides intelligence support to law enforcement and public safety authorities and consolidates information regarding suspicious activities that may represent threats to the public. Appropriations for the 2022–23 biennium for these three programs total \$22.3 million in All Funds, with an anticipated fiscal year 2023 staffing level of 168.0 FTE positions.

#### **CRIME LABORATORY SERVICES**

DPS provides forensic and analytical services to law enforcement agencies investigating crimes through a system of 14 crime laboratories in locations across Texas. The agency provides analysis of biological evidence or DNA evidence; seized drugs; toxicology, including alcohol and drug; trace evidence, such as hair, fibers, gunshot residue, and fire debris; and other forensic disciplines. Crime laboratory personnel also provide expert testimony regarding analysis of evidence and interpretation of technical data and findings. Appropriations for the 2022–23 biennium for crime laboratory services total \$128.3 million in All Funds, with an anticipated fiscal year 2023 staffing level of 599.5 FTE positions.

#### **CRIME RECORDS SERVICE**

DPS administers statewide information systems to provide criminal justice information to authorized users in a rapid and usable format. The Crime Records Service collects information regarding criminal history and fingerprinting records, sex offender identification, and crime statistics. The Crime Records Service relies significantly upon information sharing among local, state, and federal law enforcement agencies. During fiscal year 2021, the Crime Records Service

processed more than 968,809 fingerprint criminal history checks and 17.9 million criminal justice, public site, and secure site name searches.

#### **HUMAN TRAFFICKING AND ANTI-GANG ACTIVITIES**

Appropriations for human trafficking and anti-gang activities for the 2022–23 biennium total \$37.8 million. Human trafficking squads will conduct minor sex trafficking investigations and international and labor trafficking investigations as part of DPS's Criminal Investigations Division and the Texas Rangers Division.

#### **BORDER SECURITY PROGRAMS**

The border security programs include activities centering on Operation Lone Star and other efforts responding to law enforcement threats in the border region. Historically, the Legislature has made significant fiscal investments in state and local efforts to enhance a more secure border region. The Eighty-seventh Legislature, Regular Session, 2021, appropriated \$1,123.7 million in state funds to 10 state agencies for border security. House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, appropriated an additional \$1,802.6 million relating to border security efforts. Of the 13 agencies across budget articles that were appropriated funds for border security, DPS was appropriated \$942.6 million in All Funds.

The Border Security program area represents the \$585.8 million in All Funds. An additional \$356.8 million in border security-related funds is appropriated to other goals and program areas, primarily Law Enforcement, for trooper salaries and overtime. DPS's border security funding in Senate Bill 1 and House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, is allocated for the following items across all goals and program areas:

- \$647.4 million for routine border security operations and other baseline border security-related activities, including a 50.0-hour work week for all DPS commissioned law enforcement officers; full biennial costs for 22.0 Texas Ranger positions, 500.0 trooper positions, and support staff, appropriated by the Eighty-fourth Legislature, 2015, and the Eighty-fifth Legislature, Regular Session, 2017; and several other border security-related initiatives;
- \$112.8 million for 100.0 FTE state trooper positions, other support staff, vehicles, overtime costs, and equipment;



- \$17.0 million to fund cameras and other equipment, primarily relating to Operation Drawbridge;
- \$9.3 million to fund human trafficking and anti-gang activities, included in the Human Trafficking and Anti-gang task forces; and
- \$1.3 million to establish and help operate the border automotive theft information center.

House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021, appropriated the following border security items to DPS in the 2022–23 biennium:

- \$133.5 million to fund 52 weeks of Operation Lone Star surge costs;
- \$17.9 million to provide funding for an additional 79.0 FTE positions, including 50.0 trooper positions and 29.0 administrative staff positions; and
- \$3.4 million for the purchase of 6.0 tactical marine unit vessels.

#### **DRIVER LICENSE SERVICES**

The driver license services and driving and motor vehicle safety programs are the largest regulatory programs at DPS and are administered by the agency's Driver License Division (DLD). The division serves license-qualified drivers and removes privileges from unsafe drivers; provides accurate records and documents in a timely manner to eligible customers; and supports law enforcement and criminal justice partners. DLD ensures the competency of Texas drivers by testing new drivers and determining the eligibility of renewal applicants. It administered 4.6 million driver license examinations during fiscal year 2021. DLD also is responsible for issuing most of the state identification used for voter identification purposes.

During fiscal year 2021, 56.0 percent of those applying for a driver license or identification card experienced wait times of less than 45.0 minutes.

The budget has been restructured, and the agency's Goal D, Strategy D.1.1, is now Driver License Services. House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, provides DPS with unexpended balances and capital budget authority for driver licenses services.

Appropriations for DLD total \$479.8 million in All Funds and 2,955.4 FTE positions for the 2022–23 biennium, a decrease of \$2.3 million in All Funds, or 0.5 percent. This

reduction is due to removing funding for new driver license offices in Angleton and Denton and funding for a study to determine the feasibility of transferring the Driver License Program to another agency.

#### **REGULATORY SERVICES**

The regulatory services program area provides regulatory services to all external and internal customers, and improves responsiveness, customer focus, and modern business practices in the delivery of all services. Appropriations for the regulatory services program area total \$67.7 million in All Funds for the 2022–23 biennium. The regulatory programs at DPS include regulatory service compliance, regulatory service issuance, and safety education. Program area functions are administered by the Regulatory Services Division and carried out through several services, including the Private Security Program, handgun licensing, the vehicle inspection program, and the Texas metals program.

#### **PRIVATE SECURITY PROGRAM**

The Private Security Program (PSP) regulates the private security industry in Texas. State regulations for this industry include licensing private security companies and registering individuals employed by those companies. The once standalone Texas state agency that licensed and regulated private security was established during fiscal year 1969 as the Texas Board of Private Detectives and Private Investigators. During fiscal year 1998, that agency was renamed the Texas Commission on Private Security. The Seventy-eighth Legislature, Regular Session, 2003, abolished the Texas Commission on Private Security and transferred its functions to DPS, which then established PSP. PSP is associated with the statutorily established Texas Private Security Board, which is a seven-member board appointed by the Governor. The Texas Private Security Board was established to hear appeals by applicants in accordance with the Texas Private Security Act. In addition, the board devises rules for the administration of the act.

Senate Bill 616, Eighty-sixth Legislature, 2019, reconstituted the PSP as an advisory committee. The legislation also clarifies that all regulatory authority for PSP exists with the Public Safety Commission and the DPS Executive Director. During fiscal year 2021, PSP issued 94,641 licenses and registrations.

#### **HANDGUN LICENSING PROGRAM**

DPS administers the Handgun Licensing Program as authorized by the Texas Government Code, Chapter 411, Subchapter H. DPS licenses individuals to carry handguns

within Texas, evaluates the eligibility of applicants through criminal history background checks, and monitors those licensed to ensure their continued eligibility. DPS also trains and certifies instructors that teach the required courses to applicants. Senate Bill 16, Eighty-fifth Legislature, Regular Session, 2017, decreased the fee for the issuance of an original or renewed license to carry a handgun from \$140 to \$40. As shown in **Figure 264**, the number of licenses to carry handguns DPS issued annually has increased by 184.4 percent from fiscal years 2012 (164,443 licenses issued) to 2021 (467,609 licenses issued).

**VEHICLE INSPECTION PROGRAM**

The DPS Vehicle Inspection Program (VIP) certifies vehicle inspectors and inspection stations, monitors and ensures compliance with inspection standards, and supervises vehicle emission programs intended to meet federal clean air requirements. VIP has the authority to deny certification of inspectors and stations and to suspend or revoke station and inspector certification. VIP also is responsible for the sale and fulfillment of orders for inspection certificates. During fiscal year 2021, 40,878 certified inspectors at 11,854 licensed inspection stations performed 23.0 million inspections.

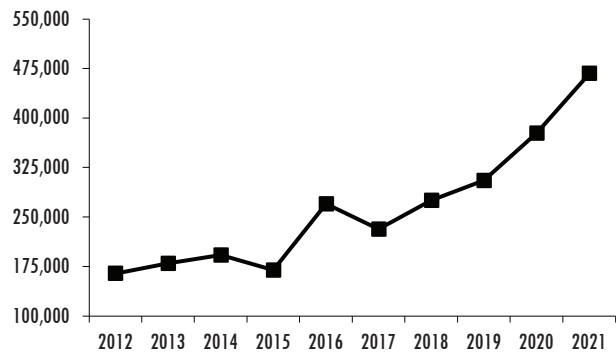
**METAL RECYCLING ENTITIES**

Pursuant to the Texas Occupations Code, Chapter 1956, DPS is responsible for registering all metal recycling entities operating in Texas. Registered entities are required to collect certain identifying information from sellers of recycled material to aid law enforcement in tracking entities and individuals that are buying or selling stolen material. The information collected in DPS’s Metals Registration Program database contains a record of all reported metals transactions across Texas. DPS has the authority to deny applications for certificates of registration to entities that do not meet the agency’s criteria. During fiscal year 2021, DPS issued 407 metal registration certifications. DPS also has the authority to reprimand registrants and suspend or revoke certificates of registration for reasons set in state statute and for failure to comply with DPS rules.

**ADMINISTRATION**

The administration program area includes programs relating to direct or indirect administration at DPS. These programs include facilities management, financial management, fleet operations, headquarters administration, human capital management, information technology, regional administration, and training academy and development. Appropriations for the administration program area total

**FIGURE 264**  
**DEPARTMENT OF PUBLIC SAFETY HANDGUN LICENSING PROGRAM LICENSES ISSUED, FISCAL YEARS 2012 TO 2021**



SOURCES: Legislative Budget Board; Department of Public Safety.

\$645.2 million in All Funds for the 2022–23 biennium. The Eighty-seventh Legislature, Regular Session, 2021, appropriated an additional \$20.1 million in General Revenue Funds in fiscal year 2022 to conduct an additional three recruit school classes in the 2022–23 biennium.

**SIGNIFICANT LEGISLATION**

**House Bill 54 – Accompanying and filming peace officers of state and local law enforcement agencies for producing reality television programs.** The legislation prohibits any law enforcement department that employs peace officers from contracting and filming peace officers while acting in the line of duty for the purpose of participating in a reality television show.

**House Bill 1535 – Medical use of low-THC cannabis.** The legislation expands the medication conditions for which low-THC cannabis may be prescribed to included nonterminal cancer, post-traumatic stress disorder, and those medical conditions designated by the Health and Human Services Commission as authorizing treatment with low-THC cannabis as part of an approved research program.

**House Bill 1927 – Provisions governing the carrying of a firearm.** The legislation authorizes the unlicensed carrying of firearms by a person who is 21 years of age or older and not otherwise prohibited by state or federal law from possessing the firearm. In addition, the legislation addresses specific prohibited locations and the way firearms may be carried.

**Senate Bill 2222 – Bullet-resistant windshields and windows.** The legislation authorizes DPS to equip all motor vehicles used by officers of the Texas Highway Patrol with bullet-resistant windshields.

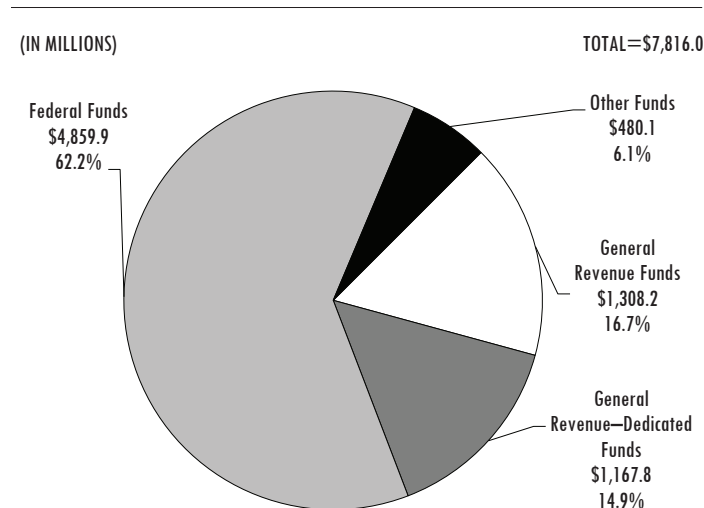
## 9. NATURAL RESOURCES

Natural Resource agencies play a major role in the state's economy and in maintaining a healthy environment for Texans. State agencies charged with the responsibility of influencing the management and development of these resources do so through scientific research, planning, education, preservation, regulation, remediation, and financial assistance. These activities are directed to the achievement of state goals such as clean air; clean water; safe management of waste; conservation and development of water through resource planning and financial assistance; safe production, fair pricing, and transportation of energy resources; supporting state and local parks and outdoor activities; development of agribusiness; administering child and special nutrition programs; managing state-owned lands and assets; and many others.

**FIGURE 265**  
**ARTICLE VI – NATURAL RESOURCES, BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$948.8	\$1,308.2	\$359.4	37.9%
General Revenue–Dedicated Funds	\$1,330.1	\$1,167.8	(\$162.3)	(12.2%)
Federal Funds	\$6,917.6	\$4,859.9	(\$2,057.6)	(29.7%)
Other Funds	\$2,495.0	\$480.1	(\$2,014.9)	(80.8%)
<b>Total, All Methods of Finance</b>	<b>\$11,691.5</b>	<b>\$7,816.0</b>	<b>(\$3,875.5)</b>	<b>(33.1%)</b>

**SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)**



**SIGNIFICANT DEVELOPMENTS**

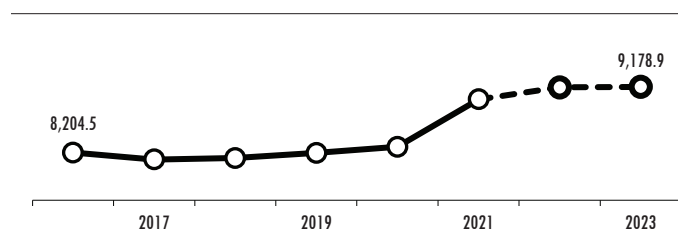
**Disaster recovery** funding totals **\$3.0 billion in All Funds**, a decrease of **\$1.2 billion in Federal Funds** related primarily to **Hurricane Harvey** recovery. Total funding includes **\$1.4 billion** for housing projects and **\$1.6 billion** for infrastructure projects.

**Water Development Board** onetime supplemental funding resulted in **decreases of \$777.9 million from the Flood Infrastructure Fund** and **\$565.2 million from the Texas Infrastructure Resiliency Fund** to begin implementation of Senate Bill 7 and Senate Bill 8, Eighty-sixth Legislature, 2019, for flood planning, mitigation, and infrastructure projects, and for state and regional flood planning.

**Texas Emissions Reduction Plan (TERP)** funding and FTE positions continue in the 2022–23 biennium from revenues deposited to the new **TERP Fund** established outside the Treasury by **House Bill 3745, Eighty-sixth Legislature, 2019**. The **Texas Commission on Environmental Quality (TCEQ)** anticipates **\$347.6 million** will be available in the TERP Fund for the program, which **TCEQ is authorized to spend without appropriation**.

Funding for **state and local parks** totals **\$276.6 million in All Funds**, a decrease of **\$18.0 million**. This amount includes **\$182.0 million** for the operation and improvement of **89 state parks**.

**FULL-TIME-EQUIVALENT POSITIONS**



**NOTES:**

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent (FTE) positions show actual positions for fiscal years 2016 to 2020, budgeted positions for fiscal year 2021, and appropriated positions for fiscal years 2022 and 2023.

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

**FIGURE 266**  
**ARTICLE VI – NATURAL RESOURCES APPROPRIATIONS BY AGENCY, ALL FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Agriculture	\$2,054.8	\$1,395.3	(\$659.5)	(32.1%)
Animal Health Commission	\$33.6	\$30.7	(\$2.8)	(8.4%)
Commission on Environmental Quality	\$774.7	\$649.3	(\$125.4)	(16.2%)
General Land Office and Veterans' Land Board	\$5,043.4	\$3,572.9	(\$1,470.5)	(29.2%)
Low-level Radioactive Waste Disposal Compact Commission	\$0.9	\$0.9	\$0.0	2.2%
Parks and Wildlife Department	\$970.9	\$821.0	(\$149.9)	(15.4%)
Railroad Commission	\$321.1	\$280.8	(\$40.3)	(12.6%)
Soil and Water Conservation Board	\$222.2	\$74.1	(\$148.2)	(66.7%)
Water Development Board	\$1,843.9	\$546.7	(\$1,297.2)	(70.4%)
<b>Subtotal, Natural Resources</b>	<b>\$11,265.5</b>	<b>\$7,371.7</b>	<b>(\$3,893.9)</b>	<b>(34.6%)</b>
Employee Benefits and Debt Service	\$447.2	\$465.2	\$18.0	4.0%
Less Interagency Contracts	\$21.2	\$20.8	(\$0.4)	(1.9%)
<b>Total, All Functions</b>	<b>\$11,691.5</b>	<b>\$7,816.0</b>	<b>(\$3,875.5)</b>	<b>(33.1%)</b>

NOTES:

(1) May include anticipated supplemental spending adjustments.

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

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

The Eighty-seventh Legislature, regular and called sessions, 2021, appropriated \$7.8 billion in All Funds for Natural Resources agencies, which is a decrease of \$3.9 billion, or 33.1 percent, from the 2020–21 biennium.

**General Land Office** (GLO) funding decreased by \$1.5 billion in All Funds primarily due to the following changes:

- a decrease of \$1.2 billion in Federal Funds primarily for disaster recovery, including a reduction of \$2.0 billion for short-term and community housing projects offset by an increase of \$781.5 million for infrastructure and mitigation projects;
- a decrease of \$110.0 million in onetime funding from Other Funds from the Economic Stabilization Fund (ESF) for the Alamo Complex and the Alamo Master Plan, including \$60.0 million carried forward from appropriations made by the Eighty-fifth Legislature, Regular Session, 2017, and \$50.0 million in supplemental appropriations provided in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021;

- a decrease of \$81.9 million in Other Funds from Appropriated Receipts for coastal erosion projects from the National Fish and Wildlife Foundation; the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (RESTORE) Act; the Natural Resource Damage Assessment Trustee program; and the Coastal Erosion Planning and Response Act; and

- a decrease of \$26.3 million in All Funds including \$24.3 million from Other Funds from the ESF and \$2.0 million in General Revenue–Dedicated Funds that were appropriated in Senate Bill 500, Eighty-sixth Legislature, 2019, for the removal of abandoned vessels as a result of Hurricane Harvey.

**Water Development Board** funding decreased by \$1.3 billion in Other Funds primarily due to onetime supplemental appropriations, including \$777.9 million in Flood Infrastructure Funds and \$565.2 million in Texas Infrastructure Resiliency Funds in Senate Bill 500, Eighty-sixth Legislature, 2019, to begin implementation of Senate Bill 7 and Senate Bill 8, Eighty-sixth Legislature, 2019.

**Texas Department of Agriculture** (TDA) funding decreased by \$659.5 million in All Funds primarily due to a reduction of \$660.2 million in onetime Federal Funds for food service programs related to the COVID-19 pandemic.

**Soil and Water Conservation Board** funding decreased by \$148.2 million in All Funds, primarily due to onetime funding of \$150.0 million in Other Funds from the ESF in Senate Bill 500, Eighty-sixth Legislature, 2019, for flood control dam maintenance and construction.

**Texas Parks and Wildlife Department** (TPWD) funding decreased by \$149.9 million in All Funds. Significant issues include the following changes:

- a net increase of \$93.4 million in General Revenue Funds primarily due to the following changes:
  - the Legislature appropriated \$376.5 million, or 100.0 percent, of the Sporting Goods Sales Tax (SGST) estimated to be available to the agency for the biennium, including amounts for employee benefits and debt service payments. These appropriations exceeded 2020–21 biennial spending levels by \$100.6 million and include \$298.9 million for agency operations, capital programs, and grants, and \$77.6 million for employee benefits and debt service payments. Appropriations also include an additional \$18.0 million in unexpended balances remaining from 2021;
  - an increase of \$15.6 million, including \$10.1 million for law enforcement officer salary increases and \$5.5 million for grants to recreational facilities;
  - a decrease of \$20.8 million, including \$12.4 million for removal of onetime grant funding; \$3.8 million for a method of finance swap with General Revenue–Dedicated Funds; \$2.4 million for the ongoing support of financial system upgrades for the Centralized Accounting and Payroll/Personnel System (CAPPS) funded in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and \$2.2 million for vehicles that also were funded in House Bill 2;
  - a decrease of \$1.8 million in Unclaimed Refunds of Motorboat Fuel Tax based on revenue collections estimated by the Comptroller of Public Accounts;

- a decrease of \$153.3 million in Federal Funds due to the spending down of allotment balances from the 2020–21 biennium;
- a decrease of \$63.0 million in Other Funds that are no longer anticipated to be available. This reduction is primarily due to:
  - a decrease of \$44.1 million in Appropriated Receipts related to the acceptance of donations, reimbursements, and legal settlement funds with programmatic effects concentrated in Artificial Reef, Construction and Major Repairs, Land Conservation, Wildlife Conservation, and State Park Operations;
  - a decrease of \$13.4 million in ESF funding, including \$7.9 million for Hurricane Harvey repairs, \$5.0 million for Wyler Aerial Tramway construction costs, and \$0.5 million for a curatorial study of artifacts associated with the Battleship TEXAS;
  - a decrease of \$5.0 million in General Obligation Bond proceeds due to debt service payments ending in fiscal year 2021;
- a decrease of \$26.9 million in General Revenue–Dedicated Funds primarily due to:
  - a decrease of \$14.3 million for items funded in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, including \$12.5 million for vehicles, \$6.5 million for a law enforcement helicopter, and \$0.7 million for CAPPS implementation. These decreases are partially offset by an increase of \$3.8 million for a method of finance swap with General Revenue Funds and an increase of \$1.0 million for law enforcement equipment; and
  - a net decrease of \$12.6 million to partially offset increases in anticipated SGST.

**Texas Commission on Environmental Quality** funding decreased by \$125.4 million in All Funds primarily due to a decrease of \$129.1 million in General Revenue–Dedicated Texas Funds pursuant to House Bill 3745, Eighty-sixth Legislature, 2019. The legislation established the Texas Emissions Reduction Plan (TERP) Fund as a trust fund held outside of the Treasury by the Comptroller of Public Accounts and administered by TCEQ. The legislation also

authorized the agency to spend money in the TERP Fund without legislative appropriation.

**Railroad Commission** funding decreased by \$40.3 million in All Funds. Funding maximizes all available General Revenue–Dedicated Funds accounts related to oil and gas regulation and cleanup. Significant issues include the following changes:

- a decrease of \$43.2 million in General Revenue–Dedicated Funds from the Oil and Gas Regulation and Cleanup Account No. 5155 (Account No. 5155) attributable to a projected decline in revenue related to an anticipated downturn in industry activity and onetime funding for the agency’s Mainframe Transformation Information Technology - Phase II in the 2020–21 biennium;
- a decrease of \$30.2 million in Other Funds from the ESF for onetime funding for oil and gas well plugging and site remediation;
- an increase of \$32.6 million in General Revenue Funds for operational stability; and
- an increase of \$0.4 million in Other Funds from the newly established Anthropogenic Carbon Dioxide Storage Trust Fund.

**SENATE BILL 8, THIRD CALLED SESSION, 2021, APPROPRIATIONS**

Not included in the amounts shown in **Figure 265** and **Figure 266** are appropriations to TDA, TPWD, and GLO provided by Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, totaling \$183.3 million, which includes funding from the federal American Rescue Plan Act of 2021, for the following amounts:

- \$100.0 million for TDA’s Texans Feeding Texans program to provide the following amounts:
  - \$95.0 million for food banks; and
  - \$5.0 million for home-delivered meals;
- \$43.0 million for TPWD to provide the following amounts:
  - \$40.0 million for Park and Wildlife Outreach and Education Grants; and
  - \$3.0 million for the Texas State Aquarium Center for Wildlife Research; and

- \$40.3 million for the GLO to provide the following amounts:
  - \$35.0 million for veteran homes heating, ventilation, air conditioning and filtration;
  - \$5.0 million for Brazoria County dune maintenance; and
  - \$0.3 million for a coastal barrier study.

## TEXAS DEPARTMENT OF AGRICULTURE

**PURPOSE:** To partner with Texas farmers, ranchers, and agribusiness to expand markets while protecting public health; protect consumers by enforcing standards; fund child and adult nutrition programs; support research relating to Texas-produced food and fibers; and administer programs promoting rural health and community and economic development.

**ESTABLISHED:** 1907

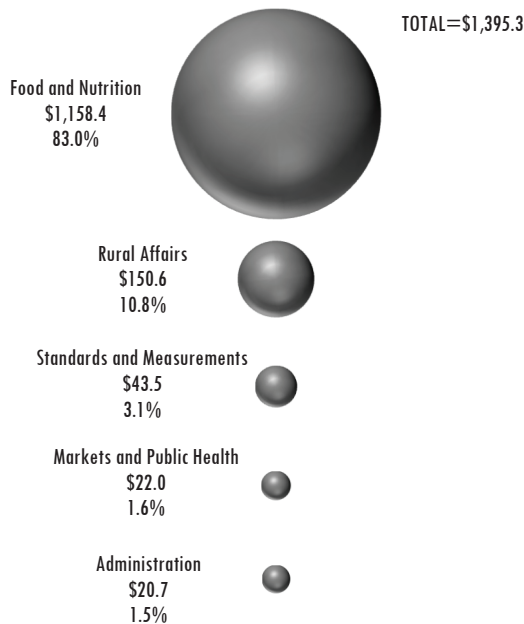
**AUTHORIZING STATUTE:** The Texas Agriculture Code, Chapters 11 and 12

**GOVERNANCE:** Commissioner, statewide-elected official

**FIGURE 267**  
**TEXAS DEPARTMENT OF AGRICULTURE BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$102.1	\$102.5	\$0.4	0.4%	<b>2022</b> 698.2  <b>2023</b> 698.2
General Revenue–Dedicated Funds	\$2.4	\$4.1	\$1.7	72.6%	
Federal Funds	\$1,942.5	\$1,282.3	(\$660.2)	(34.0%)	
Other Funds	\$7.8	\$6.4	(\$1.4)	(18.3%)	
<b>Total, All Methods of Finance</b>	<b>\$2,054.8</b>	<b>\$1,395.3</b>	<b>(\$659.5)</b>	<b>(32.1%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Child and adult nutrition program** funding totals **\$1.2 billion in All Funds**, a decrease of **\$620.6 million in Federal Funds**, due to onetime relief related to the COVID-19 pandemic to provide for administration and federal nutrition program funding, including the National School Lunch and School Breakfast programs.

**Texans Feeding Texans – Surplus Agricultural Products Grant program** funding totals **\$105.2 million in All Funds** including **\$95.0 million provided by Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021**. The program provides surplus agricultural products to food banks and other charitable organizations that serve needy or low-income individuals.

**Texans Feeding Texans – Home Delivered Meals program** funding totals **\$24.7 million in All Funds**, including **\$5.0 million provided by Senate Bill 8, Third Called Session, 2021**, for support to supplement and extend home-delivered meal programs for senior and disabled Texans.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Appropriations for the Texas Department of Agriculture (TDA) total \$1.4 billion in All Funds, which is a decrease of \$659.5 million, or 32.1 percent, from 2020–21 biennial spending levels and includes the following changes:

- a net decrease of \$660.2 million in Federal Funds primarily due to the following changes:
  - a net decrease of \$660.8 million in various onetime Federal Funds. Of this decrease, \$449.7 million is related primarily to food service programs increased during the COVID-19 pandemic, and \$211.1 million includes onetime federal funding related to the pandemic that is no longer anticipated to be available; and
  - an increase of \$0.5 million in Community Development Block Grant Federal Funds to provide for additional community and economic development projects in rural areas and for rural hospital grants;
- a net increase of \$2.1 million in General Revenue Funds and General Revenue–Dedicated Funds including \$0.4 million in General Revenue Funds and \$1.7 million in General Revenue–Dedicated Funds primarily due to the following changes:
  - a decrease of \$3.8 million in General Revenue Funds for onetime funding in the 2020–21 biennium for the Texas Feeding Texans – Home Delivered Meals and Surplus Agricultural Products Grants and Centralized Accounting and Payroll/Personnel System (CAPPS) deployment provided pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, that is not continued into the 2022–23 biennium;
  - a decrease of \$0.7 million in General Revenue Funds related to various onetime costs including \$0.3 million to implement the provisions of House Bill 191, Eighty-sixth Legislature, 2019, related to the disposal of pesticides, and House Bill 1325, Eighty-sixth Legislature, 2019, related to the production and regulation of hemp;
  - a decrease of \$0.5 million in General Revenue Funds for pesticide regulation;
  - an increase of \$3.4 million in General Revenue Funds for the Texas Feeding Texans – Home Delivered Meals and Surplus Agricultural Products Grants program home-delivered meals and food banks;
- an increase of \$1.0 million in General Revenue Funds pursuant to House Bill 2089, Eighty-seventh Legislature, Regular Session, 2021, concerning the deployment of an early detection and mitigation program of plant pests and diseases, and House Bill 1371, Eighty-seventh Legislature, Regular Session, 2021, concerning continuation of the Trade Agricultural Inspection Grant Program;
- an increase of \$0.9 million in General Revenue Funds and General Revenue–Dedicated Funds for restoration of funding included by the agency in its required 5.0 percent reduction during the 2020–21 biennium;
- an increase of \$0.4 million in General Revenue Funds for the Boll Weevil Eradication program;
- an increase of \$1.2 million in fee-generated General Revenue–Dedicated Funds, offsetting an equivalent reduction in General Revenue Funds related to the production and regulation of hemp pursuant to House Bill 1325, Eighty-sixth Legislature, 2019;
- an increase of \$0.6 million in General Revenue–Dedicated Funds for rural health facility capital improvements; and
- a decrease of \$1.4 million in Other Funds primarily due to the following changes:
  - a decrease of \$0.8 million in Interagency Contracts due to the ending of the transition contract with the Texas Department of Licensing and Regulation (TDLR) pursuant to Senate Bill 2119, Eighty-sixth Legislature, 2019, that transferred the regulation of motor fuel metering and motor fuel quality from TDA to TDLR; and
  - a decrease of \$0.6 million in Appropriated Receipts primarily due to onetime reimbursements and revenue collections not anticipated to continue.

TDA is appropriated 698.2 full-time-equivalent (FTE) positions for each year of the 2022–23 biennium.



**COST RECOVERY PROGRAMS**

Appropriations for TDA’s 12 cost recovery programs total \$44.5 million in General Revenue Funds and General Revenue–Dedicated Funds, an increase of \$0.5 million, or 1.1 percent from 2020–21 biennial spending levels. Apart from specific statutory or legislative authority, these programs are funded with fee-generated revenues, the use of which is limited to the program for which the revenues were collected. Revenue collections also are required to cover \$8.1 million appropriated elsewhere in the General Appropriations Act for other direct and indirect costs, such as employee benefits. **Figure 268** shows funding for TDA’s 12 cost-recovery programs.

**PROGRAMS**

The agency has five major program areas: (1) food and nutrition; (2) rural affairs; (3) standards and measurements; (4) markets and public health; and (5) administration.

**FOOD AND NUTRITION PROGRAMS**

TDA carries out its responsibilities in the food and nutrition program area through five programs that provide funding and technical assistance statewide.

**CHILD NUTRITION – COMMUNITY NUTRITION**

This program provides state administration and funding for federal nutrition programs that provide meals or food packages to qualifying individuals through private nonprofit organizations, governmental agencies, for-profit organizations, residential childcare facilities, schools, and food banks. The following funding and activities are included through the program:

- \$913.6 million for the Child and Adult Care Food program, which reimburses childcare centers, day-care home providers, and adult day-care centers for part of the cost associated with serving approved meals and snacks to children and adults;
- \$61.5 million for the Summer Food Service program, which provides meals to qualifying children during the summer months;
- \$15.0 million for the Emergency Food Assistance program, which distributes commodities from the U.S. Department of Agriculture (USDA) to emergency food organizations such as food pantries, soup kitchens, and housing authorities;

**FIGURE 268**

**TEXAS DEPARTMENT OF AGRICULTURE COST RECOVERY PROGRAMS, 2022–23 BIENNIUM**

PROGRAM AREA	APPROPRIATION
<b>Standards and Measurements</b>	
Agricultural Pesticide Regulation	\$11,591,576
Plant Health	\$10,733,828
Weights, Measures, and Metrology	\$9,529,241
Structural Pest Control	\$4,738,855
Hemp	\$1,296,944
Egg Quality Regulation	\$1,044,579
Grain Warehouse	\$688,344
Organic Certification	\$689,503
Prescribed Burn	\$46,076
<b>Markets and Public Health</b>	
International and Domestic Trade	\$2,008,390
Livestock Export Pens	\$2,138,890
Handling and Marketing of Perishable Commodities	\$30,864
<b>Total for all programs</b>	<b>\$44,537,090</b>

SOURCE: Legislative Budget Board.

- \$10.8 million for the Commodity Supplement Food program, which provides food packages that local organizations distribute for home consumption;
- \$2.0 million for the Farmers Market Nutrition program, which provides vouchers to participating farmers’ market associations to certain qualified participants in the USDA’s Women, Infants, and Children program; and
- \$0.2 million for the Senior Farmers’ Market Nutrition program, which provides vouchers for participating farmers’ market associations to qualifying seniors.

Program funding totals \$1.0 billion in All Funds, including 110.1 FTE positions, which represents a decrease of \$652.6 million, or 39.0 percent, from 2020–21 biennial spending levels. This decrease is due primarily to onetime COVID-19 pandemic-related Federal Funds provided in the 2020–21 biennium.

**CHILD NUTRITION – SCHOOL NUTRITION**

This program provides administration of federally assisted meal programs operated by school food authorities (SFA) in public, charter, and nonprofit private school and residential childcare institutions. SFAs receive USDA food commodities

and cash reimbursement based on household eligibility and program guidelines. The following activities are included through the program:

- \$30.4 million for the National School Lunch program, including the Seamless Summer Option, which serves free or reduced-price lunches to qualifying students in public and nonprofit private schools in Texas throughout the school year and during the summer for schools opting to extend the program throughout the year;
- \$12.3 million for the School Breakfast program, which provides free or reduced-price breakfasts to qualifying students in public and nonprofit private schools in Texas throughout the school year;
- \$21.7 million for the Fresh Fruit and Vegetable program, which serves students at selected Texas elementary schools free fresh fruits and vegetables outside of regular meal times; and
- \$14,000 for the Special Milk program, which makes milk available to qualifying children at schools, camps, and childcare centers that do not participate in a school meal program.

Program funding totals \$105.6 million in All Funds, including 124.9 FTE positions, which is an increase of \$31.9 million, or 43.3 percent, from 2020–21 biennial spending levels. This increase includes a net change across various Federal Funds.

Since fiscal year 2003, TDA has administered the child nutrition programs through an Interagency Contract with the Texas Education Agency (TEA). Reimbursement payments for the programs are budgeted at TEA. Funding includes \$4.3 billion in Federal Funds and \$27.2 million in General Revenue Funds.

**TEXANS FEEDING TEXANS – HOME-DELIVERED MEAL GRANT PROGRAM**

This program provides support to supplement and extend home-delivered meal programs for seniors and disabled Texans. Governmental and nonprofit agencies are eligible for this grant program. Program funding totals \$19.7 million in General Revenue Funds, an increase of \$0.1 million from 2020–21 biennial spending levels, including 3.1 FTE positions.

Not included in amounts discussed previously are appropriations of \$5.0 million in Federal Funds from the

American Rescue Plan Act of 2021 (ARPA) pursuant to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021.

**TEXANS FEEDING TEXANS – SURPLUS AGRICULTURAL PRODUCTS GRANT PROGRAM**

This program was established to provide surplus agricultural products to food banks and other charitable organizations that serve needy or low-income individuals. TDA awards grant funding to help offset the costs of harvesting, gleaning, and transporting Texas products to food banks. Program funding totals \$10.2 million in General Revenue Funds, including 1.9 FTE positions, which continues 2020–21 biennial spending levels.

Not included in amounts discussed previously are appropriations of \$95.0 million in Federal Funds from ARPA pursuant to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021.

**3 E'S (EDUCATION, EXERCISE, AND EATING RIGHT) NUTRITION EDUCATION**

During the 2020–21 biennium, this program provided 1,157 grants to public schools, childcare centers, and community organizations to increase awareness of the importance of good nutrition for children and to encourage children's health and well-being through education, exercise, and eating right. Appropriations for this program were discontinued for the 2022–23 biennium.

**Figure 269** shows the number of children and adults meals served through the Child and Adult Care Food Program from fiscal years 2019 to 2021 and the anticipated amounts for fiscal years 2022 and 2023.

Food and nutrition programs received a combined \$1.2 billion in All Funds, including 240.0 FTE positions, which makes up 83.0 percent of the agency's total appropriation. This amount includes a decrease of \$620.6 million, or 34.9 percent, from 2020–21 biennial spending levels due primarily to onetime federal COVID-19 pandemic relief funding.

**RURAL AFFAIRS PROGRAMS**

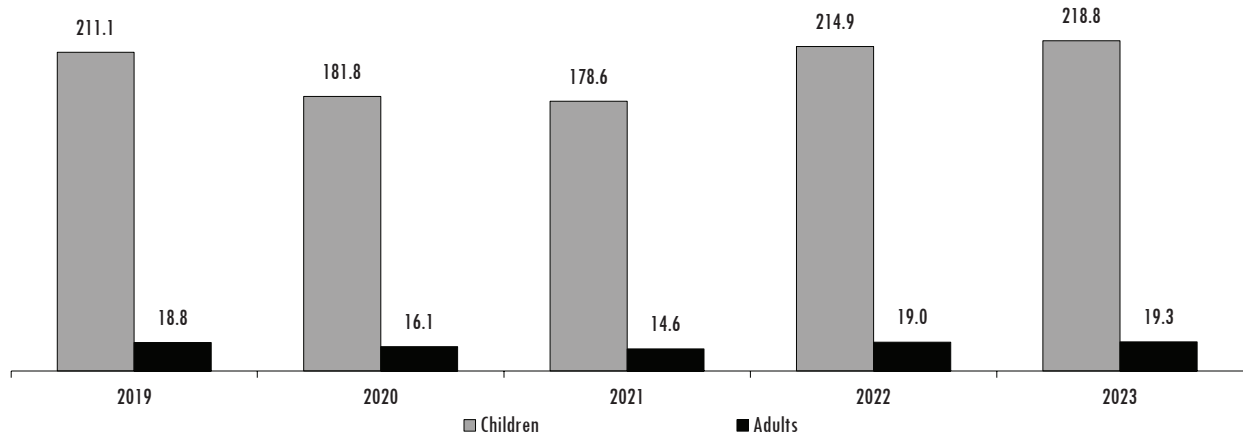
The rural affairs program area consists of two programs: (1) Rural Community and Economic Development; and (2) Rural Health.

**RURAL COMMUNITY AND ECONOMIC DEVELOPMENT**

The majority of the funding for the agency's Rural Community and Economic Development program is from

**FIGURE 269**  
**AVERAGE DAILY NUMBER OF CHILDREN AND ADULTS SERVED MEALS THROUGH THE CHILD AND ADULT CARE FOOD PROGRAM, FISCAL YEARS 2019 TO 2023**

(IN MILLIONS)



NOTE: Amounts for fiscal years 2022 and 2023 are projected.  
 SOURCE: Texas Department of Agriculture.

federal Community Development Block Grant (CDBG) funds distributed to the state by the U.S. Department of Housing and Urban Development (HUD). TDA provides grants through HUD for community and economic development projects in rural areas, principally for low-income to moderate-income populations. CDBG funds administered by TDA assist nonentitlement areas of the state, which consist of cities with populations of less than 50,000 and counties that have a nonmetropolitan population of less than 200,000 and are not eligible for direct CDBG funding from HUD.

Program appropriations total \$141.7 million in All Funds, an increase of \$0.5 million in Federal Funds from 2020–21 biennial spending levels, which provide for 39.5 FTE positions.

#### RURAL HEALTH

Through the Rural Health program in the State Office of Rural Health, TDA works to ensure access to and quality of healthcare services by administering programs and technical assistance to approximately 150 rural hospitals, which include the state's 85 critical access hospitals. The agency works to support the recruitment and retention of trained medical professionals to rural areas of the state through financial assistance for medical, dental, and allied health educations and through submission of expedited license requests to the Texas Medical Board for physicians. Additionally, the agency provides grants to rural health

facilities for the acquisition, construction, or improvement of facilities, equipment, or real property used to provide health services.

Program appropriations total \$8.9 million in All Funds with 9.4 FTE positions. This amount includes a decrease of \$41.7 million from 2020–21 biennial spending levels, which is related primarily to onetime Federal Funds related to the COVID-19 pandemic that are not continued.

The rural affairs program area appropriations total \$150.6 million in All Funds, including 48.9 FTE positions, which is 10.8 percent of the agency's total appropriation. This amount includes a decrease of \$41.7 million, or 21.4 percent, from 2020–21 biennial spending levels.

#### STANDARDS AND MEASUREMENTS PROGRAMS

TDA is responsible for protecting consumers by regulating industries and services; establishing and enforcing standards; and increasing the likelihood that goods sold in Texas are measured, priced, and marketed properly through 12 programs in the standards and measurements program area.

#### AGRICULTURAL PESTICIDE REGULATION

TDA provides regulatory oversight of pesticide laws, certification of applicators, registration of pesticides, and protection and education of pesticide workers and handlers. The Agricultural Pesticide Regulation program investigates complaints and provides laboratory analysis of pesticide

residue samples. The agency expects to investigate 150 pesticide complaints during each fiscal year of the 2022–23 biennium. Appropriations for the cost recovery program total \$11.6 million in All Funds, which provides for 74.2 FTE positions, approximately the same as 2020–21 biennial spending levels.

#### **PLANT HEALTH**

TDA regulates the licensing for nurseries and florists, provides phytosanitary inspection, ensures that consumers receive the quality and type of seed for which they pay, and makes available a quality source of seeds and vegetative propagating materials. The agency expects to analyze approximately 4,500 seed samples during each fiscal year of the 2022–23 biennium.

The agency enforces quarantine restrictions that prevent destructive pests and plant diseases that affect nursery and floral products from being shipped out of quarantined areas or into pest-free areas within the state. In addition, the agency prevents destructive pests and plant diseases from being shipped into the state by establishing road stations periodically at strategic points along the Texas border to stop shipments of pest-infested plants into the state. The agency expects to conduct 8,000 nursery and floral establishment inspections during each fiscal year of the 2022–23 biennium. Appropriations for the cost recovery program total \$10.7 million in All Funds, which includes 83.0 FTE positions. This amount includes an increase of \$0.6 million, or 5.5 percent, from 2020–21 biennial spending levels, which is primarily due to \$0.5 million in General Revenue Funds provided to implement the provisions of House Bill 2089, Eighty-Seventh Legislature, Regular Session, 2021, which requires the development of an early detection and mitigation program for plant pests and diseases. The legislation authorizes TDA to establish an early plant pest detection and surveillance system through cooperative agreements with universities in the state.

#### **WEIGHTS, MEASURES, AND METROLOGY**

Through the Weights, Measures, and Metrology program, TDA ensures that weighing and measuring devices perform within acceptable tolerances and that packages are labeled properly before sale to bring equity to the marketplace to promote fair economic trade. TDA is the state agency responsible for certifying weights and measures standards for mass and volume that are supported by national and international standards. TDA inspects various devices ranging from bulk meters used at airports for fueling airplanes

to scales at grocery stores. Liquefied petroleum gas meters used to fill small tanks for backyard grills and those used to fill storage tanks at businesses or homes also are inspected. In addition, packaging ranging from cereal boxes to packaged polyethylene sheeting is weighed or measured to determine whether the contents meet or exceed the quantity stated on the label. The agency also oversees that the prices displayed on the shelf for consumer products are the same prices consumers pay at the checkout counter.

Appropriations for the cost recovery program total \$9.5 million in All Funds, which includes 60.3 FTE positions. This amount includes a decrease of \$0.2 million, or 1.9 percent, from 2020–21 biennial spending levels.

#### **STRUCTURAL PEST CONTROL**

TDA licenses and regulates pest management professionals that apply pesticides in and around structures. During each fiscal year of the 2022–23 biennium, the program anticipates issuing 8,000 new licenses, resolving 105 complaints, and performing 250 school district inspections. Appropriations for the cost recovery program total \$4.7 million in General Revenue Funds, including 35.7 FTE positions, which continues 2020–21 biennial spending levels.

#### **PESTICIDE DATA**

TDA manages the collection, analysis, data entry, and reporting of pesticide residues on agricultural commodities in the U.S. food supply, with an emphasis on commodities that are consumed in large amounts by infants and children. Appropriations total \$1.4 million in Federal Funds, including 9.5 FTE positions, which is an increase of \$0.1 million from 2020–21 biennial spending levels.

#### **HEMP**

Enactment of House Bill 1325, Eighty-sixth Legislature, 2019, established the Hemp program, which requires TDA to monitor and regulate the production of hemp in Texas and to certify hemp seeds. Appropriations for the cost recovery program total \$1.3 million in All Funds, including 3.3 FTE positions, which continue funding at 2020–21 biennial spending levels, replacing \$1.1 million in General Revenue Funds with fee-generated General Revenue–Dedicated Funds.

#### **EGG QUALITY REGULATION**

TDA enforces egg quality standards by licensing egg packers, wholesalers, and distributors. The agency has entered into a memorandum of understanding with the Department of

State Health Services that specifies each agency's inspection responsibilities to avoid duplication of efforts at retail stores. Appropriations for the cost recovery program total \$1.0 million in General Revenue Funds, including 6.8 FTE positions, which is approximately the same as 2020–21 biennial spending levels.

#### **PESTICIDE DISPOSAL**

House Bill 191, Eighty-sixth Legislature, 2019, established the Pesticide Disposal program in TDA to organize pesticide waste and pesticide container collection activities statewide in coordination with the Texas Commission on Environmental Quality and the Texas A&M AgriLife Extension Service. Appropriations for this program total \$0.8 million in All Funds, which continues 2020–21 biennial spending levels.

#### **GRAIN WAREHOUSE**

TDA is responsible for protecting the producers or other depositors of grain stored in public grain warehouses. Inspectors monitor grain inventories, warehouse accounting practices, and risks associated with potential insolvency of public grain warehouses. Appropriations for the cost recovery program total \$0.7 million in General Revenue Funds, including 4.8 FTE positions, which continues 2020–21 biennial spending levels.

#### **ORGANIC CERTIFICATION**

TDA oversees the integrity of organic agriculture products that are produced and manufactured in Texas by providing certification services to Texas producers and agribusinesses. Appropriations for the cost recovery program total \$0.7 million in All Funds, including 2.0 FTE positions, which continues 2020–21 biennial spending levels.

#### **TEXAS COOPERATIVE INSPECTION PROGRAM**

TDA conducts grading and standardization inspections of citrus fruits, vegetables, tree nuts, and peanuts. Program appropriations total \$0.9 million in Other Funds from Appropriated Receipts, including an increase of \$0.6 million from 2020–21 biennial spending levels and providing for 1.0 FTE position and the expansion of office space at the agency's livestock export facilities to conduct inspections.

#### **PRESCRIBED BURN**

TDA regulates certified and insured prescribed-burn managers that work to control vegetative fuels that can contribute to wildfires. Appropriations for the cost recovery

program total \$46,076 in General Revenue Funds, an increase of \$44,000 from 2020–21 biennial spending levels. The program was continued until September 1, 2033, pursuant to Sunset legislation that continued TDA, the Prescribed Burning Board, and other agency functions for the same period (Senate Bill 703, Eighty-seventh Legislature, Regular Session, 2021).

Standards and measurements programs received a combined \$43.5 million in All Funds, including 280.6 FTE positions, which constitutes 3.1 percent of the agency's total appropriation. This amount includes an increase of \$1.3 million, or 3.0 percent, from 2020–21 biennial spending levels.

#### **MARKETS AND PUBLIC HEALTH PROGRAMS**

The markets and public health program area contains nine programs that enable Texas farmers, ranchers, and agribusiness to expand profitable markets for agricultural products while protecting public health and natural resources.

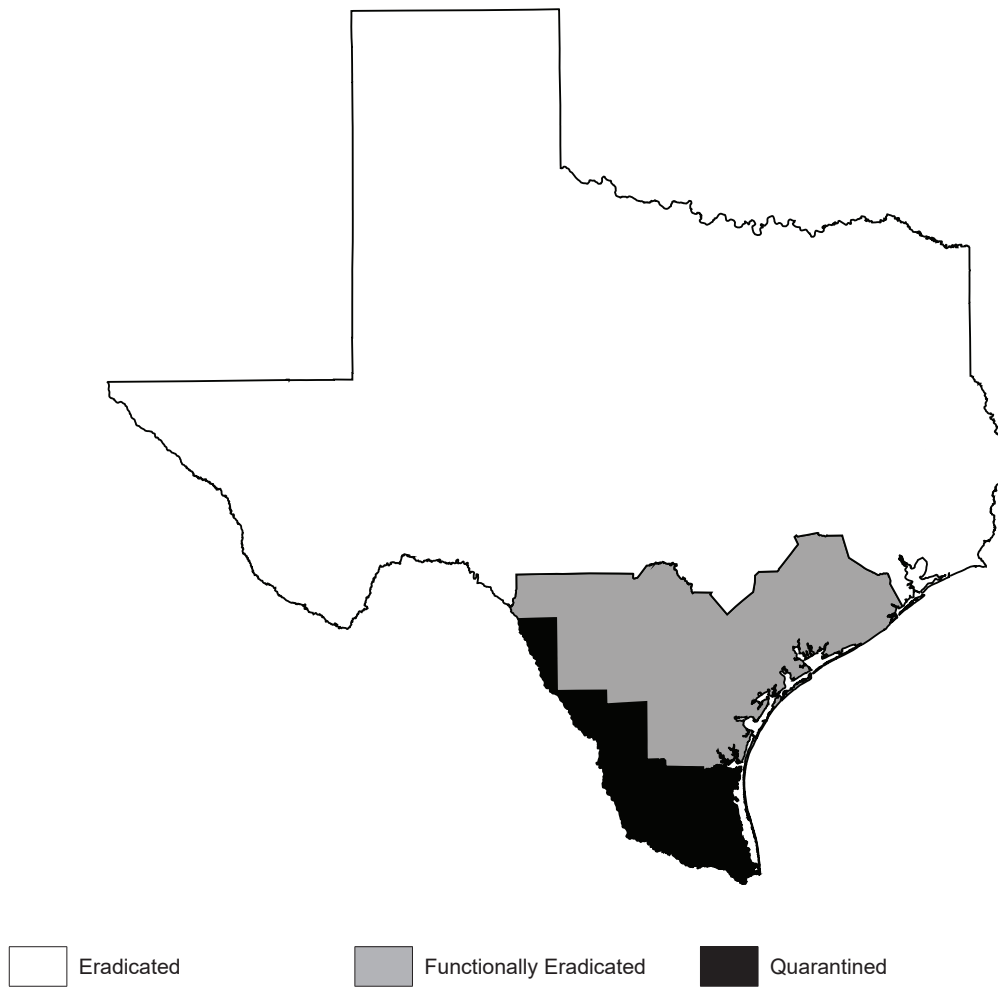
#### **BOLL WEEVIL ERADICATION**

TDA oversees the Texas Boll Weevil Eradication Foundation, which is responsible for administering the Boll Weevil Eradication program. TDA approves budgets, posts agendas, receives annual reports, conducts elections for board members, and provides general oversight of foundation activities. At the beginning of fiscal year 2020, approximately 22,804 cotton growers in three eradication zones, shown in **Figure 270**, participated in the program. Among the three zones, the West Texas Management Area has been declared eradicated, the East Texas Maintenance Area has achieved functionally eradicated status, and the Lower Rio Grande Valley Eradication Zone remains in quarantined status. Appropriations total \$9.2 million in General Revenue Funds, which represents an increase of \$0.4 million, or 4.3 percent, from 2020–21 biennial spending levels. The foundation was continued until September 1, 2033, pursuant to Sunset legislation that continued TDA and other agency functions for the same period (Senate Bill 703, Eighty-seventh Legislature, Regular Session, 2021).

#### **SPECIALTY CROP BLOCK GRANT**

This program works to enhance the competitiveness of specialty crops in Texas, which are defined as fruits and vegetables, dried fruit, tree nuts, horticulture, and nursery crops. Program appropriations total \$5.4 million in Federal Funds, including 2.2 FTE positions, which is an increase of \$0.6 million, or 12.2 percent, from 2020–21 biennial spending levels.

**FIGURE 270**  
**TEXAS BOLL WEEVIL ERADICATION STATUS, FISCAL YEAR 2020**



SOURCE: Texas Department of Agriculture.

**INTERNATIONAL AND DOMESTIC TRADE**

TDA promotes Texas agriculture through the GO TEXAN program to showcase Texas-made and Texas-raised products. GO TEXAN is a broad-based marketing program to increase awareness of products, culture, and communities of Texas domestically, nationally, and internationally. The program was continued until September 1, 2033, pursuant to Sunset legislation that continued TDA and other agency functions for the same period (Senate Bill 703, Eighty-seventh Legislature, Regular Session, 2021). Appropriations for the cost recovery program total \$2.0 million in All Funds, including 1.3 FTE positions, which is a decrease of \$0.1 million, or 3.4 percent, from 2020–21 biennial spending levels.

**PRODUCE SAFETY**

TDA, in conjunction with the U.S. Food and Drug Administration, works to implement the Food Safety Modernization Act, which shifts food safety regulations from a system focused on responding to contamination to one that focuses on prevention. Program appropriations total \$2.6 million in All Funds, including 12.1 FTE positions, which is an increase of \$0.7 million, or 37.2 percent, from 2020–21 biennial spending levels. This increase includes \$0.5 million in General Revenue Funds pursuant to House Bill 1371, Eighty-seventh Legislature, Regular Session, 2021, for continuation of the Texas Agricultural Inspection Grant program that conducts agricultural inspections at commercial points of entry into Texas, and \$0.2 million due to increases in Federal Funds.

**LIVESTOCK EXPORT PENS**

TDA has three facilities along the Texas–Mexico border where Mexican officials inspect livestock and poultry to expedite a safe and efficient transfer from sellers throughout the U.S. and Canada to international buyers. A fourth facility is being constructed in Del Rio. A fifth facility, located in Houston at the George Bush Intercontinental Airport, is available by appointment for exports by air and sea only. Animals exported through TDA livestock export pens during fiscal year 2019 included 56,595 head of livestock, of which 57 were exotic game and 436,000 poultry. Appropriations for the cost recovery program total \$2.1 million in General Revenue Funds, including 13.3 FTE positions, which is approximately the same as 2020–21 biennial spending levels.

**WINE MARKETING, RESEARCH, AND EDUCATION**

TDA assists the Texas wine industry in promoting and marketing Texas wines and educating the public about the Texas wine industry. Program appropriations total \$0.4 million in Other Funds, including 0.6 FTE positions, which continues 2020–21 biennial spending levels.

**COMMODITY BOARDS**

TDA oversees 11 commodity boards in the state that collect producer assessments voluntarily for use in research, marketing, and education. Program appropriations total \$0.1 million in General Revenue Funds, including 0.5 FTE position, which continues 2020–21 biennial spending levels.

**HANDLING AND MARKETING OF PERISHABLE COMMODITIES**

TDA ensures that producers of Texas-grown perishable commodities receive timely compensation for commodities they sell. Producers and sellers are authorized to recover a portion of their damages from the Produce Recovery Fund, a special account funded with a portion of the license fees paid. Appropriations for the cost recovery program total \$30,864 in General Revenue Funds, including 0.2 FTE position, which continues 2020–21 biennial spending levels.

**LICENSE PLATES**

TDA acts as a nominating state agency for nonprofit organizations to receive and distribute funds collected by the Department of Motor Vehicles from the sale of specialized license plates. The grant program administered by TDA

provides proceeds to the GO TEXAN program, American Quarter Horse Association, Masonic Grand Lodge of Texas, and Order of the Eastern Star. Appropriations total an estimated \$0.1 million in revenue generated from license plate sales.

Appropriations for the markets and public health program area total \$22.0 million in All Funds, including 32.7 FTE positions, which constitutes 1.6 percent of the agency's total appropriation. This amount represents an increase of \$1.6 million, or 7.9 percent, from 2020–21 biennial spending levels.

**ADMINISTRATION**

The Indirect Administration program is the only program in the administration program area and provides administrative support for TDA operations. These operations include executive management, internal audit, legal, human resources, accounting, budget, purchasing, facilities, fleet services, communications, external affairs, revenue collection, and information technology infrastructure support. Funding totals \$20.7 million in All Funds which represents a decrease of \$0.7 million, or 3.4 percent, from 2020–21 biennial spending levels and 96.0 FTE positions, which includes an increase of 1.0 FTE position for CAPPs implementation.

**SIGNIFICANT LEGISLATION**

**House Bill 1371 – Trade Agricultural Inspection Grant program.** The legislation continues a program that conducts agricultural inspections at commercial points of entry into Texas. The legislation authorizes TDA to provide a grant to a non-profit organization for the purpose of reducing wait times for agricultural inspections of vehicles along the Texas–Mexico border.

**Senate Bill 703 – Continuation and functions of TDA.** The legislation continues the agency, the Texas Boll Weevil Eradication Foundation, and the Prescribed Burning Board for 12 years until September 1, 2033. The legislation reauthorizes the GO TEXAN marketing program; eliminates the agency's licensure of aquaculture facilities; makes changes to certain agency enforcement practices; reauthorizes the Citrus Budwood Advisory Council; eliminates the inactive Texas Rural Foundation and the Early Childhood Health Nutrition Interagency Council and requires the agency to establish a Farmer Mental Health and Suicide Prevention Program; and requires TDA to conduct certain studies and report any findings.

## TEXAS ANIMAL HEALTH COMMISSION

**PURPOSE:** To protect and enhance the health of Texas animal populations by preventing, controlling, and eliminating animal diseases; monitoring and diagnosing animal illnesses; responding to emergency situations involving animals; and promoting productivity and marketability while minimizing risks to human health.

**ESTABLISHED:** 1949

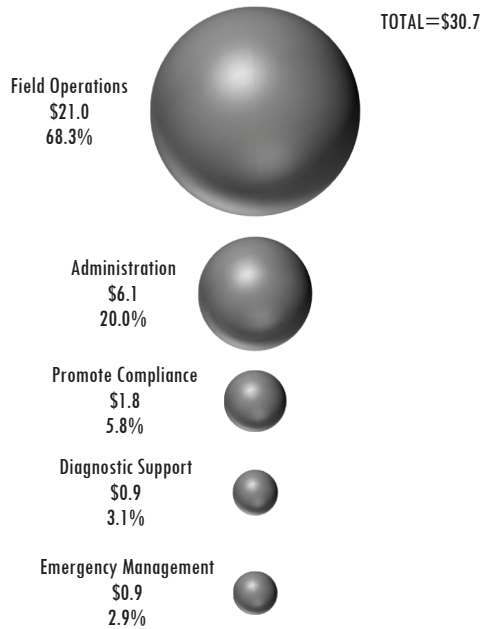
**AUTHORIZING STATUTE:** The Texas Agriculture Code, §161.021

**GOVERNANCE:** 13 members appointed by the Governor with the advice and consent of the Senate

**FIGURE 271**  
**TEXAS ANIMAL HEALTH COMMISSION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$27.9	\$27.2	(\$0.7)	(2.6%)	<table border="1"> <tr> <td><b>2022</b></td> <td>215.2</td> </tr> <tr> <td><b>2023</b></td> <td>215.2</td> </tr> </table>	<b>2022</b>	215.2	<b>2023</b>	215.2
<b>2022</b>	215.2								
<b>2023</b>	215.2								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$5.6	\$3.5	(\$2.1)	(37.2%)					
Other Funds	\$0.0	\$0.0	(\$0.0)	(100.0%)					
<b>Total, All Methods of Finance</b>	<b>\$33.6</b>	<b>\$30.7</b>	<b>(\$2.8)</b>	<b>(8.4%)</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Cattle health program funding totals **\$8.4 million** in All Funds, a decrease of **\$0.8 million** from 2020–21 biennial spending levels.

Funding for **cattle fever tick prevention, control, and eradication activities** total **\$8.0 million** in All Funds, maintaining 2020–21 biennial spending levels.

**Anticipated fee-generated General Revenue Funds** collections from health certificates, chronic wasting disease inspections, and fowl registrations totaling **\$1.2 million** will fund 23.7 percent of field operations and animal management and assurance program expenditures, excluding salaries and wages and other personnel costs.

Agency staff are projected to conduct **70,000 livestock inspections** each fiscal year.

SOURCE: Legislative Budget Board.



## MAJOR FUNDING

Appropriations for the Texas Animal Health Commission (TAHC) total \$30.7 million, a decrease of \$2.8 million, or 8.4 percent, from 2020–21 biennial spending levels. This decrease is due primarily to a decrease of \$2.1 million in Federal Funds related to disease eradication programs, including cattle brucellosis, and \$1.7 million in General Revenue Funds for onetime information technology and vehicle acquisition costs. This decrease was offset partially by an increase of \$1.0 million in General Revenue Funds for the restoration of the agency's required 5.0 percent budget reduction in the 2020–21 biennium.

## PROGRAMS

TAHC carries out its responsibilities of enhancing the health of Texas animal populations and facilitating productivity and marketability while minimizing risks to human health through five program areas: (1) field operations; (2) administration; (3) diagnostic support; (4) promoting compliance; and (5) emergency management.

### FIELD OPERATIONS

The field operations program area constitutes the primary workload of TAHC, including various methods to prevent, monitor, diagnose, control, and eradicate diseases within livestock herds and flocks. The program area includes field offices, which serve as bases of operations for inspectors and other agency personnel who perform their duties at auction sites, ranches, and other remote locations. Within this program area, the agency performs the following duties:

- conducts inspections at concentration points such as livestock auctions and slaughterhouses;
- inspects, tests, and quarantines infected herds and flocks;
- inspects livestock shipments;
- issues movement permits and monitors livestock movements;
- maintains databases containing animal, herd, and premises information;
- serves as a resource regarding disease and management problems for the livestock and poultry industries;
- registers certain poultry sellers, distributors, and transporters; and
- depopulates certain infected herds and flocks when necessary.

TAHC allocates a portion of its field operations budget toward specific species, diseases, or parasites. **Figure 272** shows the biennial funding amounts specified for certain programs within the field operations program area to represent anticipated spending by species.

The agency assesses fees that are deposited to the General Revenue Fund and cover the costs of certain inspections. These fees support field operations programs such as Cervid Health and Avian Health, but do not provide for salaries. **Figure 273** shows fees that TAHC assesses, actual revenue collections for the 2020–21 biennium, and estimated collections for the 2022–23 biennium. The agency is appropriated \$1.2 million from these revenues, which is equal to the amount of revenue the agency was estimated to generate in the Texas Comptroller of Public Accounts' 2022–23 Biennial Revenue Estimate (BRE). Any revenue collected that is greater than the BRE amount also is appropriated to TAHC.

The most recent U.S. Department of Agriculture (USDA) National Agricultural Statistics Service, 2017 Census of Agriculture, ranked Texas first in the country in overall production of livestock and poultry and specifically cattle and calves. The total market value of Texas livestock, poultry, and their products sold during calendar year 2017 totaled \$18.0 billion. Of this amount, \$12.3 billion, or 68.2 percent, was from cattle and calves, \$3.0 billion, or 16.6 percent, was from poultry and eggs, and \$2.2 billion, or 12.0 percent, was from milk from cows.

The remaining two programs in the field operations program area include Field Operations Administration and Animal Disease Traceability. Both of these programs apply to multiple species, and funding totals \$10.3 million in All Funds.

The Field Operations Administration program is appropriated \$8.2 million in All Funds, a decrease of \$2.7 million, or 24.9 percent, from 2020–21 biennial spending levels. The program includes regional offices that serve as localized bases of operations for field staff that provide TAHC services to livestock and poultry producers across the state. TAHC has six regional offices located in Amarillo, Beeville, Laredo, Rockdale, Stephenville, and Sulphur Springs. The decrease in funding is due primarily to the reallocation of certain full-time-equivalent (FTE) positions to the central administration and legal and compliance programs.

Through the Animal Disease Traceability program, TAHC traces animal disease outbreaks by assisting producers and dealers to register their premises with the agency and properly

**FIGURE 272  
FIELD OPERATIONS PROGRAMS AND FUNDING BY SPECIES, 2022–23 BIENNIUM**

PROGRAM	DESCRIPTION	APPROPRIATIONS
Cattle Health	Rapidly detect and survey for foreign and emerging disease trends and threats affecting cattle. Respond to disease outbreaks; provide timely and accurate information; develop disease control and eradication plans; advise regarding management of disease trends, potential threats, and mitigation strategies.	\$8,419,861
Equine Health	Rapidly detect and survey for foreign and emerging disease trends and threats affecting equines. Respond to disease outbreaks; provide timely and accurate information; develop disease control and eradication plans; advise regarding management of disease trends, potential threats, and mitigation strategies.	\$506,720
Swine Health	Rapidly detect and survey for foreign and emerging disease trends and threats affecting swine. Respond to disease outbreaks; provide timely and accurate information; develop disease control and eradication plans; advise regarding management of disease trends, potential threats, and mitigation strategies.	\$617,068
Avian Health	Monitor for and respond to outbreaks of infectious diseases through surveillance, testing, diagnosis, promotion of biosecurity, and identification of poultry populations at greatest risk of infection. Develop disease control and eradication plans. Manage poultry registration program.	\$573,920
Cervid Health	Increase chronic wasting disease surveillance in farmed deer and in elk; decrease the risk of the introduction of chronic wasting disease; provide early disease detection.	\$289,096
Sheep/Goat Health	Rapidly detect and survey for foreign and emerging disease trends and threats affecting sheep and goats. Respond to disease outbreaks; provide timely and accurate information; develop disease control and eradication plans; advise regarding management of disease trends, potential threats, and mitigation strategies.	\$278,973
<b>Total</b>		<b>\$10,685,638</b>

SOURCE: Legislative Budget Board.

identify all animals held on those premises for more than seven days. Appropriations of \$2.2 million in All Funds represent a decrease of \$0.5 million, or 18.2 percent, from 2020–21 biennial spending levels for the program, due primarily to a decrease in Federal Funds anticipated to be received under the Plant and Animal Disease, Pest Control, and Animal Care grant from the USDA in the 2022–23 biennium.

Appropriations for the field operations program area total \$21.0 million in All Funds, a decrease of \$4.2 million, or 16.7 percent, and provide for 167.2 FTE positions, which make up 77.7 percent of the agency’s total positions.

**ADMINISTRATION**

Administration includes the Central Administration, Information Resources, and Other Support Services programs. These programs provide for the agency’s general administrative functions, including commissioners, executive administration, information technology resources, and other support services based in the Austin office. Appropriations for the Central Administration program total \$3.4 million, an increase of \$0.8 million, or 32.8 percent from 2020–21 biennial spending levels, and provide 19.0 FTE positions. Appropriations for the Information Resources

**FIGURE 273  
TEXAS ANIMAL HEALTH COMMISSION FEES  
2020–21 AND 2022–23 BIENNIA**

FEE	ACTUAL 2020–21	ESTIMATED 2022–23
Health Certificate	\$1,085,902	\$1,030,902
Chronic Wasting Disease Inspection	\$27,375	\$20,762
Fowl Registration Fees	\$132,665	\$118,540
<b>Total Collected</b>	<b>\$1,245,942</b>	<b>\$1,170,204</b>

SOURCES: Texas Animal Health Commission; Comptroller of Public Accounts’ Biennial Revenue Estimate.

program total \$2.2 million, a decrease of \$0.3 million, or 12.6 percent, and provide 10.0 FTE positions. Appropriations for the Other Support Services program total \$0.5 million, maintaining funding at 2020–21 biennial spending levels, and provide 3.0 FTE positions.

Appropriations for the administration program areas total \$6.1 million in All Funds, an increase of \$0.5 million, or 9.4 percent from 2020–21 biennial spending levels, and support 32.0 FTE positions. The increase is due primarily to the reallocation of appropriations from field operations to central administration.

**DIAGNOSTIC SUPPORT**

The diagnostic support program area includes the Diagnostic Administration program which provides epidemiology services to assist in interpreting tests and diagnoses, develop disease control and eradication plans, and provide advice regarding management of potential threats and mitigation strategies. As of September 1, 2021, all diagnostic testing of samples submitted by field staff or other veterinarians will be conducted by the Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL) due to the enactment of Senate Bill 705, Eighty-seventh Legislature, Regular Session, 2021, which closed the TAHC's State-Federal Laboratory and designated the TVMDL as the state's regulatory animal health laboratory. In addition, TAHC and TVMDL will enter into a memorandum of understanding to establish the scope of laboratory services and a fee structure to implement the change. Appropriations for the Diagnostic Administration program total \$0.9 million, a decrease of \$0.4 million, or 27.1 percent, from 2020–21 biennial spending levels, and support 3.0 FTE positions. The decrease is due primarily to the closing of the agency's State-Federal Laboratory in Austin.

**PROMOTE COMPLIANCE**

The promote compliance program area includes the agency's Legal and Compliance program, which provides public information and education for producers related to animal health regulations and statutes, legal counsel, and enforcement of intrastate and interstate regulations. The agency promotes voluntary compliance through education. When compliance is not forthcoming, TAHC's attorneys and investigators become involved. Appropriations for this program area total \$1.8 million in General Revenue Funds, an increase of \$1.2 million, or 180.9 percent, from 2020–21 biennial spending levels, and support 10.0 FTE positions. The increase is due primarily to the reallocation of appropriations from field operations to increase compliance investigations.

**EMERGENCY MANAGEMENT**

Appropriations for the emergency management program area total \$0.9 million in General Revenue Funds, an increase of \$58,296, or 7.1 percent, from 2020–21 biennial spending levels, and support 3.0 FTE positions. The emergency management program assists in planning, coordination, transportation, sheltering, and care of animals during natural disasters or disease events. TAHC serves as the lead state

agency for animal health issues during disasters, is a first responder for foreign and emergency diseases, and supports industry biosecurity and response planning for catastrophic disease situations.

**SIGNIFICANT LEGISLATION****Senate Bill 705 – Continuation and functions of TAHC.**

The legislation: (1) continues TAHC for 12 years until September 1, 2033; (2) closes the TAHC's State-Federal Laboratory and designates the TVMDL as the state's regulatory animal health laboratory; (3) requires TAHC and TVMDL to establish a memorandum of understanding to establish the scope of laboratory services and a fee structure; (4) requires TAHC to conduct a trend analysis of its compliance data and enforcement information on a statewide and regional basis; and (5) authorizes TAHC to establish advisory committees to make recommendations on programs and policies.

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

**PURPOSE:** To strive to protect the state’s human and natural resources consistent with sustainable economic development through environmental assessment, planning, permitting, and monitoring, and through pollution prevention and remediation activities.

**ESTABLISHED:** 1993

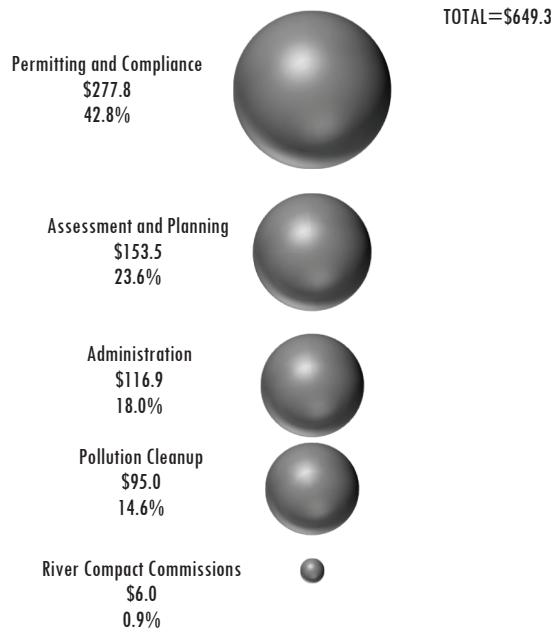
**AUTHORIZING STATUTE:** The Texas Government Code, the Texas Health and Safety Code, the Texas Local Government Code, the Texas Natural Resources Code, the Texas Occupations Code, the Texas Tax Code, and the Texas Water Code

**GOVERNANCE:** Three-member, full-time commission appointed by the Governor with the advice and consent of the Senate

**FIGURE 274**  
**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$47.3	\$36.6	(\$10.8)	(22.7%)	<b>2022</b> 2,811.8  <b>2023</b> 2,821.3
General Revenue–Dedicated Funds	\$620.7	\$514.1	(\$106.6)	(17.2%)	
Federal Funds	\$80.3	\$77.2	(\$3.2)	(3.9%)	
Other Funds	\$26.4	\$21.4	(\$4.9)	(18.7%)	
<b>Total, All Methods of Finance</b>	<b>\$774.7</b>	<b>\$649.3</b>	<b>(\$125.4)</b>	<b>(16.2%)</b>	

**AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)**



**SIGNIFICANT DEVELOPMENTS**

**Texas Emissions Reduction Plan (TERP)** funding and full-time-equivalent positions continue from revenues deposited to the new **TERP Fund** established outside the Treasury by **House Bill 3745, Eighty-sixth Legislature, 2019**, which the **Texas Commission on Environmental Quality (TCEQ)** is authorized to spend without appropriation. TCEQ anticipates **\$347.6 million** will be available in the TERP Fund for the program.

Funding provides **\$1.4 million in TERP General Revenue–Dedicated Funds, a decrease of \$129.1 million**, for cashflow purposes to fund the program at the beginning of the biennium while revenues are being deposited in the TERP Fund outside the Treasury. Initial General Revenue–Dedicated Funds expenditures must be repaid within the biennium.

Funding provides \$7.1 million in General Revenue–Dedicated Funds for the **Environmental Protection Agency’s revised federal Lead and Copper Rule** that adds requirements to public water systems and requires sampling from school and childcare facilities.

Funding provides **\$5.0 million in General Revenue Funds** for ongoing litigation between New Mexico and Texas **regarding water apportionment** from the Rio Grande. This litigation is anticipated to conclude in fiscal year 2022.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Appropriations for the Texas Commission on Environmental Quality (TCEQ) total \$649.3 million in All Funds, a decrease of \$125.4 million, or 16.2 percent, from 2020–21 biennial spending levels. Significant funding changes compared to the 2020–21 biennium include the following amounts:

- a decrease of \$117.4 million in General Revenue Funds and General Revenue–Dedicated Funds including \$11.0 million in General Revenue Funds and \$106.6 million in General Revenue–Dedicated Funds primarily due to the following changes:
  - a decrease of \$129.1 million in General Revenue–Dedicated Funds from Account No. 5071, Texas Emissions Reduction Plan (TERP), pursuant to House Bill 3745, Eighty-sixth Legislature, 2019, which: (1) established the Texas Emissions Reduction Plan Fund (TERP Fund) as a trust fund held outside of the Treasury by the Comptroller of Public Accounts and administered by TCEQ; and (2) authorizes the agency to expend money in the TERP Fund without legislative appropriation;
  - a decrease of \$12.2 million in General Revenue–Dedicated Funds that includes funding provided in the 2020–21 biennium for information technology projects through House Bill 2, Eighty-seventh Legislature, 2021, including \$4.1 million for the Commissioner’s Integrated Database and \$1.1 million for the ongoing support of human resources personnel system upgrades for the Centralized Accounting and Payroll/Personnel System (CAPPS); and an additional decrease of \$7.0 million to align Data Center Services with recommendations by the Department of Information Resources to maintain current obligation levels;
  - a decrease of \$5.0 million in General Revenue Funds in litigation funding for the Rio Grande Compact Commission provided through enactment of House Bill 2, Eighty-seventh Legislature, 2021 for the 2020–21 biennium;
  - a decrease of \$4.0 million in onetime General Revenue Funds provided for supercritical carbon dioxide research at the University of Houston;
  - a net decrease of \$3.7 million in General Revenue–Dedicated Funds provided for legislation enacted by the Eighty-sixth Legislature, 2019, including \$2.2 million pursuant to House Bill 723 to update water availability models for certain river basins; \$0.3 million pursuant to Senate Bill 649 to promote the use of recyclable materials as feedstock for processing and manufacturing; and \$0.8 million pursuant to Senate Bill 711 to modify emissions software, offset by an increase of \$0.4 million to support implementation of House Bill 2771;
- a decrease of \$3.5 million for onetime items funded in the 2020–21 biennium that are not continued, including \$1.5 million for vehicle replacement purchases, \$1.4 million for CAPPS implementation, \$0.4 million for application enhancements and capital equipment purchases, and \$0.2 million for enhancements to the Municipal Solid Waste Program;
- an increase of \$22.4 million in General Revenue Funds and General Revenue–Dedicated Funds for increases in operational funding, including \$8.2 million for the Information Resources program, \$6.2 million for the Field Inspections and Complaint Response program, \$2.8 million for the Central Administration program, \$1.8 million for the Air Monitoring program, and \$0.6 million for the Drinking Water Quality and Standards program;
- an increase of \$7.1 million in General Revenue–Dedicated Funds for implementation of the U.S. Environmental Protection Agency’s revised federal Lead and Copper Rule;
- an increase of \$5.8 million in General Revenue–Dedicated Funds for targeted salary increases for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, Attorneys and Natural Resource Specialists;
- an increase of \$3.0 million for environmental remediation of a closed battery recycling facility site pursuant to House Bill 2708, Eighty-seventh Legislature, Regular Session, 2021; and
- an increase of \$2.3 million pursuant to legislation by the Eighty-seventh Legislature, 2021, including \$2.0 million for Senate Bill 3 for preventing and responding to weather emergencies and power

outages and \$0.3 million for Senate Bill 900 for the safety of storage vessels;

- a decrease of \$4.9 million in Other Funds, primarily due to onetime cost recoveries that are not anticipated to continue into the 2022–23 biennium for remediation of Superfund sites; and
- a net decrease of \$3.2 million in Federal Funds, primarily due to decreases of \$7.5 million from expiring grants and onetime funding offset by an increase of \$4.3 million in various Federal Funds, including \$3.1 million for lead testing in school districts and childcare centers.

TCEQ fulfills its responsibilities through five major program areas: (1) assessment and planning; (2) permitting and compliance; (3) administration; (4) pollution cleanup; and (5) River Compact Commissions.

**ASSESSMENT AND PLANNING**

The assessment and planning program area functions to reduce toxic releases in the state and guide the state’s regulatory framework. The agency performs assessment and planning in air, water, waste, and radioactive materials management. It also provides oversight of the safe drinking program. Assessment and planning functions account for \$153.5 million, or 23.6 percent, of the agency’s All Funds appropriations, and support 510.1 full-time-equivalent (FTE) positions. This amount includes a decrease of \$129.3 million, or 45.7 percent, from 2020–21 biennial spending levels.

**AIR QUALITY**

TCEQ assesses the effect of air emissions and develops solutions for regional air quality problems. The air quality subarea includes the following programs: (1) Air Monitoring; (2) Air Quality Planning; (3) Vehicle Emissions Inspections, also known as the Vehicle Emissions Inspection and Maintenance Program (VEIMP); and (4) Texas Emissions Reduction Plan (TERP).

The Air Monitoring program has established an extensive statewide monitoring network that includes from 240 to 260 air-monitoring sites, depending on the time of year and other factors. The program collects air samples and analyzes data to determine pollutant levels in air throughout the state. Many of the monitoring sites have multiple sampling instruments. The Texas network has approximately 1,200 individual samplers, half of which are controlled

predominantly by TCEQ. Like the number of sites, the number of sampling instruments changes occasionally as interest in different parameters fluctuates. These stations contain specialized instrumentation that continuously measures air pollutant levels and meteorological conditions. The data from these stations are transmitted to the agency’s headquarters in Austin and published on the agency’s website. Periodically, TCEQ uses air-sampling aircraft to monitor air quality and air emissions to supplement the data gathered by the ground-based monitoring network. Appropriations for the Air Monitoring program total \$43.9 million in All Funds, a decrease of \$4.6 million, or 9.5 percent, from 2020–21 biennial spending levels. The decrease is due primarily to the following:

- a decrease of \$6.0 million in General Revenue–Dedicated Funds from the TERP account, pursuant to House Bill 3745, Eighty-sixth Legislature, 2019, which extended TERP fees and surcharges until all active or revoked ozone areas have been designated as being in attainment or nonclassifiable by the U.S. Environmental Protection Agency (EPA); and established a new TERP Fund as a trust fund outside of the Treasury to receive the continued revenue collections, from which the agency is authorized to spend without appropriation;
- a decrease of \$0.8 million in Federal Funds due primarily to onetime funding in fiscal year 2021;
- a decrease of \$0.1 million in General Revenue–Dedicated Account No. 151, Clean Air (Account No. 151), and \$0.1 million in General Revenue–Dedicated Account No. 5094, Operating Permit Fees, for onetime funding for vehicles in the 2020–21 biennium; and
- an increase of \$2.4 million in General Revenue–Dedicated Funds from Account No. 151 to provide for the operation, maintenance, and staffing of stationary and mobile air monitoring sites and for air monitoring data management systems.

Through the Air Quality Planning program, the agency develops the State Implementation Plan (SIP) and associated regulatory actions to help ensure that all areas of Texas either are complying with or will be in compliance with National Ambient Air Quality Standards (NAAQS). The agency updates an inventory of all emissions, including point, area, and mobile air pollution sources, for submission to the EPA every third calendar year. In addition, the point source

**FIGURE 275**  
**EIGHT-HOUR OZONE LEVELS IN SELECTED TEXAS AREAS**  
**CALENDAR YEARS 2011 TO 2021**

(IN PARTS PER BILLION)

REGION	2013–15	2014–16	2015–17	2016–18	2017–19	2018–20	2019–21 (2)
Dallas–Fort Worth	83	80	79	76	77	76	76
Houston–Galveston	80	79	81	78	81	79	77
Beaumont–Port Arthur	68	68	67	67	70	68	66
San Antonio	78	73	74	72	73	72	73
El Paso	71	70	71	73	75	76	75
Austin	68	66	69	68	69	65	63
Tyler–Longview	68	66	65	65	66	65	64
Victoria	64	65	65	N/V	N/V	N/V	61
Waco	67	63	N/V	N/V	N/V	64	64
Corpus Christi	65	64	62	61	61	61	62
Hood County	73	69	67	66	67	66	64

## NOTES:

- (1) Amounts exceeding the calendar year 2015 ozone standard of 70 parts per billion (ppb), which is based on the three-year average of the annual fourth-highest daily-maximum eight-hour ozone, are shaded. A standard of 75 ppb existed since calendar year 2008 and before that a standard of 85 ppb was in effect since calendar year 1997. Values are based on data from regulatory monitors. N/V indicates that the data from that year does not meet the data validity criteria.
- (2) Data for calendar year 2021 is as of November 29, 2021, is not quality assured, and is subject to change.

SOURCE: Texas Commission on Environmental Quality.

inventory is updated every year and submitted to the EPA. These inventories assist in development of the SIP for all areas in the state that EPA designates as nonattainment areas for NAAQS. To bring such areas into compliance with federal standards, the agency develops control strategies through the SIP, such as vehicle emissions and inspection testing; point source emissions limitations, including emissions cap and trade programs; and idling restrictions for heavy-duty vehicle engines. TCEQ uses computer models to test the effectiveness of various pollution-control strategies when determining what control measures would be effective and appropriate for an area. After the control measures are implemented, progress in air quality is measured by reduced levels of air pollution at the monitors.

Appropriations for the Air Quality Planning program total \$32.5 million in All Funds, a decrease of \$4.0 million in General Revenue Funds, or 11.1 percent, from 2020–21 biennial spending levels, primarily due to onetime funding that is not continued for an interagency transfer to the University of Houston for projects that reduce emissions through improvements in energy production efficiency using supercritical carbon dioxide.

**Figure 275** shows air quality measured in nonattainment and near-nonattainment areas during calendar years 2011 to

2021, showing a steady decrease in the design values during this period. Design values provide a metric of a location's air-quality status relative to the NAAQS level.

The agency assists the Texas Department of Public Safety in implementing the VEIMP through the Vehicle Emission Inspections program. Tailpipe emissions inspections are required pursuant to the federal Clean Air Act based on the severity of each city's nonattainment status level. In addition, any area can participate in VEIMP voluntarily. VEIMP is implemented in 17 Texas counties: Brazoria, Collin, Dallas, Denton, Ellis, El Paso, Fort Bend, Galveston, Harris, Johnson, Kaufman, Montgomery, Parker, Rockwall, Tarrant, Travis, and Williamson; Travis and Williamson counties participate voluntarily. Appropriations for the Vehicle Emission Inspections program total \$4.0 million in General Revenue–Dedicated Funds, a decrease of \$0.8 million, or 16.6 percent, from the 2020–21 spending level due to onetime funding pursuant to Senate Bill 711, Eighty-sixth Legislature, 2019, which required the agency to modify emissions analyzer software to align the safety inspection sequence to the items of inspection.

The TERP program implements multiple grant programs targeting nonattainment areas and other areas in the state to promote reduced emissions from on-road vehicles, nonroad

heavy-duty equipment, locomotives, marine vessels, and stationary engines.

House Bill 3745, Eighty-sixth Legislature, 2019, extended the sources of funding for the TERP program beyond August 31, 2019, until each active or revoked ozone NAAQS area in Texas has been designated by the EPA as being in attainment or non-classifiable. The majority of the revenue supporting the TERP program comes from a portion of the certificate of title fee (\$20 in nonattainment areas, \$15 in all other areas) that is deposited to the Texas Mobility Fund; the TERP account is reimbursed with an equal transfer from the State Highway Fund. Other sources of revenue to TERP include: the Limited Sales and Use Tax, which is a fee on the sale or lease of diesel equipment; the Motor Vehicles Sales and Use Tax, which is a fee on the sale and use of on-road diesel vehicles; the Commercial Motor Vehicle Registration Fee, which is a 10.0 percent surcharge on the registration of a commercial vehicle; and the Commercial Motor Vehicle Inspection Fee, which is a \$10 fee on inspections of commercial vehicles. The deposit of fees and surcharges to the credit of the TERP account and transfers from the State Highway Fund deposited to the credit of TERP were continued until September 1, 2021.

After this date, the legislation established the TERP Fund as a trust fund held outside of the Treasury by the Comptroller of Public Accounts and administered by TCEQ. This fund consists of revenues from fees and surcharges previously deposited to the TERP account, including transfers from the State Highway Fund. The legislation authorizes TCEQ to spend money in the TERP Fund without legislative appropriation and directs TCEQ to deposit any remaining unencumbered balances to the TERP account inside the Treasury at the end of each biennium.

The TERP program appropriations total \$0.9 million in General Revenue–Dedicated Funds from the TERP account, which is a decrease of \$117.6 million and 51.9 FTE positions from 2020–21 biennial levels. The decrease is due to TERP program expenditures, including operating costs, grant distribution, and staffing costs, being primarily funded from the TERP Fund during the biennium. TCEQ anticipates that a net \$172.5 million in fiscal year 2022 and \$175.1 million in fiscal year 2023, totaling \$347.6 million for the biennium, will be available for the TERP program after statutorily required transfers are made to the State Highway Fund. In addition, \$1.4 million in General Revenue–Dedicated Funds from the TERP account also is appropriated for temporary cashflow purposes in the first

fiscal year to cover initial operating costs while revenues are being collected in the TERP Fund because the TERP Fund is statutorily required to begin each biennium with a zero balance. Any expenditures from the temporary cashflow appropriation must be repaid from the TERP Fund to the General Revenue–Dedicated TERP account by the end of the fiscal year.

Appropriations for the air quality subarea total \$81.3 million in All Funds and support 293.0 FTE positions. This is a decrease of \$127.1 million from 2020–21 biennial spending levels due primarily to the transfer of TERP revenue and expenditure sources to the TERP Fund held outside of the Treasury.

#### WATER QUALITY

TCEQ protects the state's water quality by monitoring and evaluating water quality in lakes, streams, and groundwater and by establishing water-quality standards to protect aquatic life, human health, drinking water, and recreation. TCEQ develops and coordinates water-quality improvement strategies with other state agencies and local stakeholders. The water quality subarea includes the following programs: (1) Water Assessment and Planning; (2) Water Quality Assessment and Planning – Total Maximum Daily Load (TMDL); (3) Clean Rivers Program; (4) Groundwater Protection and Management; (5) Protection and Restoration of Bays and Estuaries; (6) Water Quality Assessment and Planning – Nonpoint Source Program; (7) Dam Safety; and (8) Water Quality Standards.

The Water Assessment and Planning program assesses water quality and coordinates monitoring for surface water in Texas. The agency has 30 continuous water quality-monitoring sites established as of November 2021. As with the air-quality sites, data from the continuous water quality-monitoring sites is transmitted to the agency's headquarters and is shown on the agency's website. TCEQ expects to complete 115 surface water assessments and 108 groundwater assessments during the 2022–23 biennium. The Water Assessment and Planning program is appropriated \$25.1 million in All Funds, a decrease of \$1.7 million, or 6.5 percent, from 2020–21 biennial spending levels. This net decrease is due primarily to:

- a decrease of \$0.2 million in General Revenue Funds for onetime capital equipment costs;
- a net decrease of \$1.1 million in General Revenue–Dedicated Funds from Account No. 153, Water



Resource Management (Account No. 153), that includes the following changes:

- a decrease of \$2.2 million in onetime funding pursuant to House Bill 723, Eighty-sixth Legislature, 2019, which required TCEQ to obtain or develop updated water availability models for the Brazos, Neches, Red, and Rio Grande river basins;
- a decrease of \$0.1 million for onetime vehicle purchases;
- an increase of \$1.0 million with authority for an additional 8.0 FTE positions to implement requirements due to enactment of Senate Bill 3, Eighty-seventh Legislature, 2021, which requires TCEQ to review and approve all emergency preparedness plans that have been submitted to the agency from affected utilities. TCEQ is also required to provide any utility with access to the agency's financial, managerial, and technical contractor to assist in complying with the applicable emergency preparedness plan submission deadline; and
- an increase of \$0.2 million for targeted salary increases for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, and Attorneys within this program;
- a net decrease of \$0.2 million in Federal Funds for nonpoint source implementation grants anticipated to be completed in the 2020–21 biennium offset by increases for the National Dam Safety Program and National Estuary Program; and
- a decrease of \$0.2 million in Interagency Contracts due to expiration of a grant from the Office of the Governor for Deepwater Horizon.

TCEQ is also responsible for developing plans to restore polluted bodies of water to acceptable surface water-quality standards by developing total maximum daily loads through its TMDL program. TMDLs establish the maximum level of a pollutant that a body of water can assimilate and still meet water-quality standards. The Texas State Soil and Water Conservation Board (TSSWCB) and other state agencies, including the Texas Parks and Wildlife Department and institutions of higher education, assist TCEQ in TMDL development. TCEQ is responsible for overall TMDL development, and stakeholders are responsible for developing

an implementation plan with steps to improve water quality. For example, TSSWCB's responsibilities focus on TMDLs specifically affected by agricultural and silvicultural (forestry) practices. The TMDL program is appropriated \$4.7 million in All Funds, an increase of \$0.2 million from the 2020–21 biennial spending level.

The Clean Rivers Program implements a statewide framework through which 15 regional partners, including river authorities and others, collect water quality data and provide a public forum for managing water quality in each Texas river basin. The Clean Rivers Program receives \$10.7 million in All Funds, an increase of \$1.6 million in General Revenue–Dedicated Funds from Account No. 153 greater than the 2020–21 biennial spending level, to enable the 15 regional partners to provide water quality data for the agency to use in federal water quality standards reporting. This funding supports increased analytical costs for lab work to process water quality samples, maintain current programs, add additional water quality parameters to sample, and increase monitoring and conduct water quality special studies.

The Groundwater Protection and Management program supports and coordinates Texas' efforts to protect groundwater by designating priority groundwater management areas and implementing oversight and implementation of groundwater district plans. These activities are coordinated through the Texas Groundwater Protection Committee, administered by TCEQ. The program is appropriated \$0.9 million in All Funds, effectively continuing funding at 2020–21 biennial spending levels.

The Water Quality Assessment and Planning – Nonpoint Source program provides funds to protect and restore water quality affected by nonpoint source pollution, updates the State Water Quality Management Plan, and carries out planning activities. TSSWCB is the lead agency for agricultural and silvicultural nonpoint source pollution abatement; TCEQ focuses on all other nonpoint source pollution, such as land runoff, precipitation, and atmospheric deposition, and updates the State Water Quality Management Plan. The program is appropriated \$7.0 million in All Funds, a decrease of \$1.8 million, or 20.0 percent, from 2020–21 biennial spending levels. This decrease is due primarily to the completion of onetime federally funded grant projects.

The Protection and Restoration of Bays and Estuaries program implements federally approved conservation management plans developed to protect and restore the health and productivity of Galveston and Coastal Bend bays

and estuaries, while supporting continued economic growth and public use. Implementation is achieved with local partnerships and stakeholder involvement. The Protection and Restoration of Bays and Estuaries program is appropriated \$4.1 million in All Funds, effectively continuing funding at 2020–21 biennial spending levels.

The Dam Safety program monitors and regulates private and public dams, inspects dams that pose a great or significant hazard, and provides recommendations and reports to responsible parties. The program ensures that these facilities are constructed, maintained, repaired, and removed safely. TCEQ also maintains the Texas Dam Inventory, a database with information regarding dam ownership, hazard classification, and location. TSSWCB and the Texas Water Development Board also have programs that offer funding options to assist with dam construction, maintenance, repair, and rehabilitation. Appropriations for the Dam Safety Program total \$5.8 million in All Funds, a decrease of \$0.2 million, or 2.7 percent, from 2020–21 biennial spending levels due primarily to anticipated decreases in Federal Funds.

The Water Quality Standards program provides funding for the development and coordination of the Texas Surface Water Quality Standards, which set the targets for water-quality management efforts in Texas. This responsibility includes establishing the uses and criteria for the streams, rivers, reservoirs, and estuaries of Texas. Appropriations for the Water Quality Standards program total \$1.5 million in All Funds, effectively continuing funding at 2020–21 biennial spending levels.

Appropriations for the water quality subarea total \$59.8 million in All Funds and provide for 218.3 FTE positions. This amount includes a decrease of \$1.8 million, or 3.0 percent, from 2020–21 biennial spending levels.

#### WASTE DISPOSAL

TCEQ monitors the generation, treatment, and storage of solid waste; tracks the capacity of waste-disposal facilities; and provides technical assistance to municipal solid waste planning regions for the development and implementation of waste-reduction plans through the following waste disposal subarea programs: (1) Waste Assessment and Planning; and (2) Municipal Solid Waste Disposal Grant.

The Waste Assessment and Planning program assesses municipal solid waste disposal capacity, identifies waste-management trends, and assesses future waste-management

needs across the state. Appropriations for the program total \$1.4 million in All Funds, a decrease of \$0.4 million from 2020–21 biennial spending levels, due primarily to:

- a decrease of \$0.3 million from General Revenue–Dedicated Account No. 549, Waste Management, for onetime funding provided in the 2020–21 biennium for production of a plan to stimulate the use of recyclable materials as feedstock in manufacturing in cooperation with the Texas Economic Development and Tourism Office pursuant to Senate Bill 649, Eighty-sixth Legislature, 2019; and
- a decrease of \$0.2 million in Federal Funds due to onetime grants not anticipated to continue.

As a part of the Municipal Solid Waste Disposal Grant program, TCEQ's waste permits division collects and analyzes facility capacity data, provides technical assistance to the regulated community, and provides financial assistance to local and regional solid waste projects through four councils of government (COG). Each COG maintains a regional solid waste-management plan and also may maintain local solid waste-management plans. Each biennium, the COGs prepare a regional funding plan to identify funding priorities in their regions and their solid waste-management needs. The Municipal Solid Waste Grants program provides funding to the COGs for these priorities. The program was appropriated \$11.0 million in All Funds, continuing 2020–21 biennial spending levels.

Appropriations for the waste disposal subarea total \$12.4 million in All Funds, a \$0.4 million decrease from 2020–21 biennial spending levels, and provide for 6.8 FTE positions.

#### PERMITTING AND COMPLIANCE

Through the permitting and compliance program area, TCEQ regulates discharges to air and water and the disposal of solid and hazardous waste. The agency plans and conducts assessments and inspections to reduce toxic releases for air, water, and waste, and conducts occupational licensing, compliance, pollution prevention, recycling, and enforcement duties. Appropriations for the permitting and compliance program area total \$277.8 million, or 42.8 percent of the agency's All Funds appropriations, and support 1,616.3 FTE positions. This amount represents an increase of \$18.1 million, or 7.0 percent, from 2020–21 biennial spending amounts.

**AIR QUALITY PERMITTING**

Air quality permitting subarea programs are responsible for issuing permits to facilities that release pollutants into the air. TCEQ regulates air quality through three programs: (1) Air Permitting – Title V, Operating Permits; (2) Air Permitting – New Source Review; and (3) Air Pollution Control Equipment.

The Air Permitting – Title V, Operating Permits, program oversees facility compliance with Title V of the federal Clean Air Act amendments of 1990 by assessing and issuing permits to operate major sources and certain minor sources of air pollution. Title V requires all major sites to apply for an operating permit that codifies and consolidates all applicable regulations at that site into one permit. TCEQ expects to issue approximately 14,000 permits during the 2022–23 biennium. Appropriations for the Air Permitting – Title V, Operating Permits, program total \$16.9 million in All Funds, an increase of \$0.5 million from 2020–21 biennial spending levels due primarily to targeted salary increases for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, and Attorneys within this program.

The Air Permitting – New Source Review program is responsible for ensuring that new or expanding air-pollution-emitting facilities use the best available control technology to control and reduce emissions, and that emissions do not have adverse health effects on surrounding areas. TCEQ expects to review 1,300 permits, amendments, renewals, standard permits, and permit-by-rule registrations during the 2022–23 biennium. Appropriations for the Air Permitting – New Source Review program total \$16.1 million in All Funds, a net increase from 2020–21 biennial spending levels of \$0.1 million from General Revenue–Dedicated Account No. 151 due to an increase of \$0.3 million for targeted salary increases for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, and Attorneys within this program, offset by a decrease of \$0.1 million for onetime application enhancement expenses.

The Air Pollution Control Equipment program reviews applications for entities seeking a property tax exemption for pollution control equipment. If TCEQ determines that property qualifies as pollution control property, a positive use determination is sent to the applicant and the appropriate local property tax appraisal authority for a final determination. The program is funded through application fees deposited to the General Revenue Fund. Appropriations for the program total \$0.5 million, an amount equal to 2020–21 biennial expenditures.

Appropriations for the air quality permitting subarea total \$33.5 million in All Funds for the 2022–23 biennium, an increase of \$0.6 million from 2020–21 biennial spending levels, and provide for 219.0 FTE positions.

**WATER RESOURCE PERMITTING**

TCEQ has three water resource permitting subarea programs: (1) Water Resource Permitting; (2) Watermaster Administration; and (3) Edwards Aquifer Protection. These programs are charged with reviewing permits and other authorizations relating to the quality and uses of the state's water. TCEQ ensures that streams, lakes, bays, and estuaries meet federal and state water-quality standards by issuing permits regulating wastewater and storm water discharges. The agency anticipates reviewing approximately 28,450 water-quality permit applications during the 2022–23 biennium.

The Water Resource Permitting program processes permits to divert, use, or store surface water, and permits to discharge wastewater and storm water. The wastewater and storm water permitting activities include permits for storm water runoff from construction sites, industrial facilities, and certain storm sewers, and permits for wastewater discharge into state water through the Texas Pollutant Discharge Elimination System permits and Texas Land Application permits. To administer surface water rights, TCEQ evaluates water availability, conservation and drought contingency plans, and the environmental effects of the diversion of state water. TCEQ anticipates reviewing 1,190 water rights permits during the 2022–23 biennium. Appropriations for the program total \$25.4 million in All Funds, a net increase of \$1.0 million in General Revenue–Dedicated Funds from Account No. 153, or 4.1 percent, from 2020–21 biennial spending levels. The increase includes \$0.3 million for targeted salary increases for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, and Attorneys within this program and \$0.7 million to issue permits for the discharge of produced water, hydrostatic test water, and gas plant effluent into water resulting from certain oil and gas activities pursuant to enactment of House Bill 2771, Eighty-sixth Legislature, 2019, which transferred these responsibilities from the Railroad Commission to TCEQ.

The Watermaster Administration program oversees four Watermaster programs in the state: Brazos, Concho River, Rio Grande, and South Texas. These programs are concerned specifically with the allocation and use of surface water within each respective Watermaster area. Watermasters

ensure compliance with water rights in their designated service areas, which is necessary especially during times of drought conditions and diminished stream flows. Appropriations for the program total \$4.3 million in All Funds, a decrease of \$0.1 million in General Revenue–Dedicated Funds from Account No. 158, Watermaster Administration, for onetime costs associated with implementing the Municipal Solid Waste program expansion during the 2020–21 biennium.

The Edwards Aquifer is a groundwater system in Central-South Texas. The Edwards Aquifer program reviews applications and construction plans submitted to the agency for construction projects in the recharge, transition, or contributing zones of the aquifer. Approved plans also are monitored, and fees are charged to applicants to cover the cost of the program. Appropriations for the program total \$2.6 million in All Funds, effectively continuing funding at 2020–21 biennial spending levels. Anticipated decreases in Appropriated Receipts and a reallocation of General Revenue–Dedicated Funds to other programs are offset by a \$0.1 million increase in General Revenue–Dedicated Funds for targeted salary increases for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, and Attorneys within this program.

Appropriations for the water resource permitting subarea total \$32.3 million, a net increase of \$0.8 million from 2020–21 biennial spending levels, and provide for 207.3 FTE positions.

#### WASTE MANAGEMENT AND PERMITTING

TCEQ regulates all industries engaged in the generation, treatment, storage, and disposal of hazardous, industrial, and municipal waste. Permit issuance provides a mechanism for ensuring that waste management protects human health and the environment. Waste management and permitting subarea programs include: (1) Municipal Solid Waste; (2) Registration and Reporting; and (3) Underground Injection Control.

The Municipal Solid Waste program oversees the management and disposal of municipal solid waste sites across the state. It is a permitting program that regulates industries engaged in the generation, treatment, storage, and disposal of municipal solid waste. Program appropriations total \$8.3 million in All Funds, effectively continuing funding at 2020–21 biennial spending levels. Appropriations are supported by fees imposed on industrial solid or hazardous waste generation owners or operators of permitted facilities and other fees related to waste management.

The Registration and Reporting program processes registrations and provides information and customer service for the following TCEQ registration activity areas: industrial and hazardous waste; medical waste; enclosed containers; used oil recycling; sludge transporters; and television manufacturing recycling registration. Appropriations for the program total \$3.5 million in All Funds, an increase of \$0.3 million, or 9.1 percent, from 2020–21 spending levels. The increase is primarily due to an increase of \$0.2 million in General Revenue Funds to implement the provisions of Senate Bill 900, Eighty-seventh Legislature, Regular Session, 2021, establishing a Performance Standards for Safety at Storage Vessels program for the protection of groundwater and surface water resources in the event of an accident or natural disaster.

The objective of the Underground Injection Control (UIC) program is to protect underground sources of drinking water (USDW) through permitting of underground injection of fluids through the permitting of classes I, III, IV, and V injection wells. Regulation of wells used for underground injection must maintain the quality of fresh water to an extent consistent with public health and welfare and the operation of existing industries. Through permit issuance, the UIC program regulates site location, construction, operation, maintenance, monitoring, and closure of the following classes of injection wells:

- Class I, which are used to inject hazardous and nonhazardous wastes into deep, isolated rock formations underneath USDWs;
- Class III, which are used to inject fluids to dissolve and extract minerals (e.g., uranium, sulfur, and sodium sulfate);
- Class IV, which are shallow wells used to inject hazardous or radioactive wastes into or above a geologic formation that contains a USDW. These wells typically are banned by state and federal law, but they may be used in certain environmental cleanup operations in accordance with EPA and TCEQ rules; and
- Class V, which typically includes shallow wells used to inject nonhazardous fluids to clean up groundwater contamination.

The Railroad Commission regulates Class II wells, which are used exclusively to inject fluids associated with oil and

gas production, and Class VI wells, used to inject carbon dioxide into underground subsurface rock formations for long-term storage or geologic sequestration.

Appropriations for the UIC program total \$1.5 million in All Funds, effectively continuing 2020–21 biennial spending levels.

Appropriations for the waste management and permitting subarea total \$13.3 million in All Funds, an increase of \$0.3 million from the 2020–21 biennium, and provide for 84.5 FTE positions.

### OCCUPATIONAL LICENSING

The Occupational Licensing program issues permits and registrations for the following occupations: backflow prevention assembly testers; customer service inspectors; landscape irrigators; irrigation technicians and irrigation inspectors; corrective action specialists and project managers for leaking petroleum storage tanks; municipal solid waste facility supervisors; onsite sewage facility installers; designated representatives, apprentices, maintenance providers, maintenance technicians, and site evaluators; public water system operators and operations companies; wastewater operators and operations companies; water treatment specialists; underground storage tank contractors and onsite supervisors; and training providers for visible emissions evaluators. The program develops and holds training sessions, develops and administers proficiency examinations, approves basic and continuing education training, issues occupational licenses, and monitors licenses. Appropriations for the Occupational Licensing program total \$2.6 million in All Funds and provide for 22.2 FTE positions. This amount continues funding at 2020–21 biennial spending levels.

### ENVIRONMENTAL ASSISTANCE

The Environmental Assistance program provides accurate, comprehensive, and timely responses and technical assistance to agency customers without the threat of enforcement, focusing on small businesses and local governments, with the goal of improving compliance with state environmental regulations. Appropriations for the Environmental Assistance program total \$3.8 million in All Funds, an increase of \$0.6 million in General Revenue–Dedicated Funds from the 2020–21 biennial spending level primarily for implementation of the EPA's revised federal Lead and Copper Rule, which establishes new regulatory requirements

for approximately 5,500 public water systems and requires sampling of drinking water outlets at approximately 25,000 schools and childcare facilities.

### RADIOACTIVE MATERIALS AND WASTE MANAGEMENT

The agency has two radioactive materials management subarea programs: (1) Radioactive Materials; and (2) Low Level Radioactive Waste.

The Radioactive Materials program licenses, permits, and regulates source material recovery (uranium mining), commercial radioactive waste processing and storage, by-product material disposal, disposal of naturally occurring radioactive waste materials that are not related to oil and gas production, and classes I and III UIC wells. Additionally, the program is responsible for oversight of the reclamation of historic radioactive materials, burial sites, and other sites contaminated with radioactive material, including former uranium recovery sites. Program appropriations total \$6.0 million in All Funds, continuing 2020–21 biennial spending levels. This appropriation includes \$3.0 million in General Revenue–Dedicated Funds from Account No. 5158, Environmental Radiation and Perpetual Care, for cleanup of two former uranium recovery sites. TCEQ is authorized to spend additional revenues deposited into this account during the 2022–23 biennium.

The Low Level Radioactive Waste program performs technical reviews, issues licenses, and monitors compliance for the low-level radioactive waste disposal site in Andrews County. During fiscal year 2009, TCEQ issued a license to Waste Control Specialists, LLC (WCS), a private waste management company, for the operation of the low-level radioactive waste disposal facility. The facility has two components, the Compact Waste Disposal Facility (CWF) and the Federal Waste Disposal Facility (FWF). The CWF accepts commercial low-level radioactive waste from the Texas Compact generators of Texas and Vermont and nonparty generators located outside those states. The FWF accepts low-level radioactive waste that is the responsibility of the federal government and is required to be transferred to the U.S. Department of Energy upon decommissioning.

Pursuant to Texas statute, Texas owns the land and the CWF facilities, and WCS serves as the operator of the site. The facility became operational in April 2012 and since has collected approximately \$60.6 million in fee revenues that have been remitted to the state from facility operations. Appropriations for the Low Level Radioactive Waste program

total \$3.0 million in All Funds, continuing 2020–21 biennial spending levels.

Appropriations for the Radioactive Materials and Waste Management subarea total \$9.0 million in All Funds and provide for 30.6 FTE positions, effectively continuing 2020–21 biennial spending levels.

**SAFE DRINKING WATER OVERSIGHT**

Safe drinking water oversight subarea programs protect public health and the environment by ensuring the delivery of safe drinking water, providing regulation, and promoting regional water strategies. Safe Drinking Water Oversight subarea programs include: (1) Drinking Water Quality and Standards (DWQS); and (2) Utility Regulation/District Applications.

The DWQS program implements the federal State Drinking Water Act through enacting protection measures to ensure safe drinking water for Texans served by public drinking water systems. It conducts sampling from public water systems to ensure safe drinking water. By definition, a public drinking water system serves at least 15 connections or at least 25 individuals for a minimum of 60 days per year. Approximately 7,000 public water systems serve more than 27.3 million Texas residents. During the 2022–23 biennium, TCEQ expects to collect and analyze 116,277 water samples to monitor the safety and integrity of the state’s public drinking water supply. The agency also provides free onsite financial, managerial, and technical assistance to utilities and public water systems to achieve compliance with agency rules. Appropriations for the program total \$44.8 million in All Funds, an increase of \$8.1 million, or 22.2 percent, from 2020–21 biennial spending levels. This increase is due primarily to the following changes:

- an increase of \$4.7 million in General Revenue–Dedicated Funds from Account No. 153 provided for implementation of the EPA’s revised federal Lead and Copper Rule, which establishes new regulatory requirements for approximately 5,500 public water systems and requires sampling of drinking water outlets at approximately 25,000 schools and childcare facilities;
- a net \$2.4 million increase in Federal Funds due to an increase of \$3.1 million for lead testing of drinking water for schools and childcare facilities offsetting a decrease of \$0.7 million for onetime Federal Performance Partnership Grants;

- an increase of \$0.5 million in General Revenue Funds to maintain program funding at fiscal year 2021 levels each year of the 2022–23 biennium;
- an increase of \$0.3 million in General Revenue–Dedicated Funds provided for targeted salary increases for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, and Attorneys within this program; and
- an increase of \$0.3 million in Interagency Contracts for an increase in the Drinking Water State Revolving Fund Grant.

The Utility Regulation/District Applications program supervises, inspects, responds to complaints, and investigates regulated utility districts, which provide water, sewage, and other utility-related services. Appropriations for the program total \$3.3 million in All Funds, an increase of \$0.1 million, or 4.8 percent, from 2020–21 biennial spending levels to provide funding at fiscal year 2021 spending levels each year of the biennium.

Appropriations for the Safe Drinking Water Oversight subarea total \$48.1 million in All Funds, an increase of \$8.3 million, and support 137.5 FTE positions.

**FIELD INSPECTIONS AND COMPLAINT RESPONSE**

TCEQ conducts field investigations and responds to complaints from the public through its Field Inspections and Complaint Response program. The agency maintains 16 regional offices, three satellite offices, and laboratories in Houston and Austin to monitor and assess air and water quality, investigate facilities, respond to complaints, promote voluntary compliance through education and technical assistance, and respond to emergencies such as accidental releases of chemicals into the environment. The agency anticipates that regional staff will perform 146,242 investigations during the 2022–23 biennium. **Figure 276** shows the number and types of investigations that TCEQ performed from fiscal years 2017 to 2021.

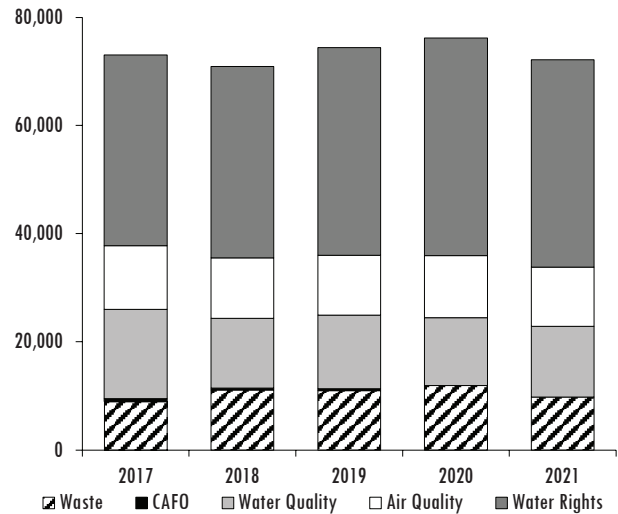
Appropriations for the Field Inspections and Complaint Response program total \$104.6 million in All Funds, a net increase of \$7.7 million, or 8.0 percent, from 2020–21 biennial spending levels. This net increase is due primarily to the following changes:

- an increase of \$2.6 million in General Revenue–Dedicated Funds for targeted salary increases

for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, and Attorneys within this program;

- an increase of \$1.3 million in General Revenue–Dedicated Funds from Account No. 153 for aggregate production operations;
- an increase of \$1.1 million in General Revenue–Dedicated Funds from Account No. 153 for implementation of the EPA’s revised federal Lead and Copper Rule, which establishes new regulatory requirements for approximately 5,500 public water systems and requires sampling of drinking water outlets at approximately 25,000 schools and childcare facilities;
- an increase of \$1.0 million in General Revenue–Dedicated Funds for emergency response activities;
- an increase of \$0.9 million in General Revenue–Dedicated Funds for renovation of the Region 12 office in Houston to provide safety improvements;
- an increase of \$0.8 million in General Revenue–Dedicated Funds for relocation of the Region 14 office in Corpus Christi;
- an increase of \$0.6 million in General Revenue–Dedicated Funds from Account No. 153 to support implementation of Senate Bill 3, Eighty-seventh Legislature, Regular Session, 2021, concerning preparing for and responding to weather emergencies and power outages, which requires the agency to review and approve all emergency preparedness plans submitted from utilities affected by the legislation; and provide any utility with access to the agency’s financial, managerial, and technical contractors to assist in compliance with preparedness plan submission deadlines;
- an increase of \$0.5 million in Interagency Contracts associated with the Drinking Water State Revolving Fund;
- an increase of \$0.4 million in General Revenue–Dedicated Funds for four optical gas imaging cameras;
- an increase of \$0.3 million in General Revenue–Dedicated Funds from Account No. 151 funding for safety improvements at the Houston Regional office;

**FIGURE 276**  
**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**  
**FIELD INVESTIGATIONS BY TYPE**  
**FISCAL YEARS 2017 TO 2021**



NOTE: CAFO=Concentrated Animal Feeding Operation.  
 SOURCES: Legislative Budget Board; Texas Commission on Environmental Quality.

- a decrease of \$1.2 million in General Revenue–Dedicated Funds for onetime vehicle funding not continued from the 2020–21 biennium;
- a decrease of \$0.6 million for onetime Appropriated Receipts Funds associated with disaster recovery for the fire in the city of West not continued from the 2020–21 biennium;
- a decrease of \$0.4 million in Federal Funds for onetime federal grants;
- a decrease of \$0.2 million in General Revenue Funds reallocated to other agency programs; and
- a decrease of \$0.2 million in General Revenue–Dedicated Funds from Account No. 549, Waste Management, for onetime funding for expansion of the Municipal Solid Waste program.

**ENFORCEMENT AND COMPLIANCE**

The agency’s enforcement and compliance subarea includes the following programs: (1) Enforcement; (2) Tier II Chemical Reporting; and (3) Environmental Laboratory Accreditation. These programs serve to respond to complaints, coordinate multimedia inspections, and prosecute violators.

The Enforcement program determines penalties, tracks compliance with orders, and monitors the progress of supplemental environmental projects that are sponsored or undertaken by violators seeking to defer or mitigate their fines through TCEQ-approved environmental projects. TCEQ conducts several enforcement activities offering specific assistance to certain regulated communities that have special needs. Federal and state laws require TCEQ to provide compliance assistance to small businesses; the agency also offers this service to small local governments. The service is confidential, except in the case of an imminent threat to the environment. Appropriations for the Enforcement program total \$21.3 million in All Funds, a decrease of \$0.3 million in All Funds primarily due to the following:

- a decrease of \$1.8 million in Federal Funds due to expiring grants, including the Leaking Underground Storage Tank Harvey Disaster Relief Grants;
- an increase of \$0.5 million in General Revenue–Dedicated Funds from Account No. 153 for implementation of the EPA’s revised federal Lead and Copper Rule, which establishes new regulatory requirements for approximately 5,500 public water systems and requires sampling of drinking water outlets at approximately 25,000 schools and childcare facilities;
- an increase of \$0.5 million in General Revenue–Dedicated Funds for targeted salary increases for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, and Attorneys within this program; and
- an increase of \$0.4 million in General Revenue–Dedicated Funds from Account No. 153 pursuant to Senate Bill 3, Eighty-seventh Legislature, Regular Session, 2021, concerning preparing for and responding to weather emergencies and power outages, which requires the agency to review and approve all emergency preparedness plans submitted from utilities affected by the legislation; and provide any utility with access to the agency’s financial, managerial, and technical contractors to assist in compliance with preparedness plan submission deadlines.

The Tier II Chemical Reporting program maintains the state repository for the federally required hazardous chemical inventory reports called Texas Tier II Reports, pursuant to the federal Emergency Planning and

Community Right-to-Know Act. The program maintains electronic files that contain facility and owner–operator identification information, and detailed data regarding hazardous chemicals stored at reporting facilities within the state. Emergency response personnel, such as firefighters and healthcare providers, can use this data to protect workers and the community during an emergency. The program promotes compliance with federal and state laws and supports local communities’ right-to-know planning and education. Appropriations for the program total \$2.4 million in All Funds, which continues 2020–21 biennial spending levels.

The Environmental Laboratory Accreditation program inspects and accredits environmental laboratories across the state. Fees associated with application review and inspections fund the program’s appropriations. Appropriations total \$1.5 million in General Revenue–Dedicated Funds from Account No. 5065, Environmental Testing Lab Accreditation, which continues funding at 2020–21 biennial spending levels.

Appropriations for the enforcement and compliance program subarea total \$25.1 million for the 2022–23 biennium, a decrease of \$0.3 million, and support 172.7 FTE positions.

#### **POLLUTION PREVENTION AND RECYCLING**

The agency’s functions for pollution prevention, recycling, and education include two subarea programs: (1) Pollution Prevention and Recycling; and (2) Seminars for the Regulated Community.

The Pollution Prevention and Recycling program consists of mandatory, voluntary, and educational programs promoting recycling and pollution prevention through a combination of technical assistance performance-based regulation and public education. The program includes the following major pollution prevention efforts: (1) the Texas Administrative Code, Title 30, Chapter 335, Subchapter Q, the Waste Reduction Policy Act; (2) the hazardous household waste collection program; (3) the Resource Exchange Network for Eliminating Waste program; (4) the Don’t Mess With Texas Waters program; and (5) the Take Care of Texas program. In addition, several state statutes require TCEQ to implement programs that encourage recycling. Several of these programs include: (1) the Computer Equipment Recycling program; (2) the Television Recycling program; (3) the Recycling Market Development Implementation program; and (4) technical assistance to the public regarding the understanding of recycling regulations and the establishment of a recycling business. Appropriations for the Pollution Prevention and



Recycling program total \$3.6 million in All Funds, continuing 2020–21 biennial spending amounts.

The Seminars for Regulated Community program administers cost-recovery compliance assistance workshops, seminars, and conferences for entities that TCEQ regulates. Appropriations for the program total \$1.9 million in All Funds, continuing 2020–21 biennial spending levels.

Appropriations for the pollution prevention and recycling program subarea total \$5.5 million in All Funds and support 16.5 FTE positions, continuing 2020–21 biennium spending levels.

### **POLLUTION CLEANUP**

The pollution cleanup program area protects public health and the environment by identifying, assessing, and prioritizing contaminated sites for cleanup and remediation. Pollution cleanup appropriations total \$95.0 million, or 14.6 percent, of the agency's All Funds appropriations, and support 223.0 FTE positions. This amount represents a decrease of \$1.2 million, or 1.3 percent, from 2020–21 biennial spending levels.

#### **PETROLEUM STORAGE TANK CLEANUP**

The subarea to address petroleum storage tank cleanup consists of the following programs: (1) Petroleum Storage Tank (PST); and (2) Petroleum Storage Tank Administration and Regulatory (PSTAR).

The PST program identifies leaking PST sites and ensures that soil and groundwater contamination is remediated according to state and federal health and safety standards. The program oversees the cleanup of leaks from storage tanks conducted by the responsible parties and the state. Approximately 400 PST sites are expected to be cleaned up during the 2022–23 biennium. The PST program is appropriated \$24.2 million in All Funds, a net decrease of \$0.3 million in All Funds that includes a decrease of \$0.5 million in Leaking Underground Storage Tank Trust Fund Federal Funds offset by a \$0.2 million increase in General Revenue–Dedicated Funds from Account No. 655, Petroleum Storage Tank Remediation (Account No. 655).

The PSTAR program processes registrations for underground and above-ground storage tanks; provides delivery certification for self-certified underground tanks; offers technical assistance to tank owners and operators; interprets and reviews requests for variance from rule requirements; and maintains a registry for PSTs. As of November 2021,

approximately 48,400 underground storage tanks and 25,200 above-ground storage tanks are registered at more than 31,700 active facilities in Texas. The PSTAR program is appropriated \$8.2 million in All Funds, a net increase of \$0.4 million that includes: an increase of \$0.4 million in Federal Funds for anticipated increases from the Federal Leaking Underground Storage Tank Trust Fund; an increase \$0.2 million in General Revenue–Dedicated Funds from Account No. 655 for targeted salary increases for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, and Attorneys within this program; and a decrease of \$0.1 million in funding from Account No. 655 reallocated to other programs.

Appropriations for the PST cleanup subarea total \$32.4 million in All Funds, effectively continuing the 2020–21 spending levels and supporting 55.7 FTE positions.

#### **HAZARDOUS MATERIALS CLEANUP**

The agency administers four programs in its subarea regarding hazardous materials cleanup: (1) Superfund Assessment and Cleanup; (2) Voluntary Cleanup and Other Remediation; (3) Dry Cleaning Assessment and Remediation; and (4) Industrial Hazardous Waste.

The Superfund Assessment and Cleanup program consists of state and federal efforts to investigate and evaluate the release or threatened release of hazardous substances, identify responsible parties, and remediate federal and state Superfund sites. The federal Superfund program identifies and ranks the most serious hazardous waste sites on the federal National Priorities List (NPL). Texas has 56 NPL sites. Sites that are not eligible for the NPL may be included on TCEQ's State Superfund Registry. Texas has 43 sites proposed for listing or listed on this registry. TCEQ expects to complete remedial actions at a combined four state and federal sites during the 2022–23 biennium. The Superfund Assessment and Cleanup program is appropriated \$35.4 million in All Funds, a decrease of \$4.7 million, or 11.7 percent, from the 2020–21 spending level due primarily to a reduction of \$4.1 million in Appropriated Receipts from cost recoveries for remediation of Superfund sites in the 2020–21 biennium that are not anticipated to continue.

The Voluntary Cleanup and Other Remediation program provides a process through which sites can be cleaned up voluntarily in a timely manner while ensuring protection of human health and the environment. The program provides administrative, technical, and legal incentives to participants for investigation, cleanup, and redevelopment. It also

provides a certificate to innocent owners and operators if property is contaminated from a source that is not located on the property, and they did not cause the contamination. TCEQ approves voluntary cleanup agreements submitted by program applicants, oversees cleanup actions, and certifies cleanup completion; 2,572 sites have been completed as of September 2021. Certification by the agency releases future landowners and lenders from liability caused by past contamination. TCEQ anticipates issuing 122 certificates of completion through the program during the 2022–23 biennium. Appropriations for the Voluntary Cleanup and Other Remediation program total \$11.0 million in All Funds, a net increase of \$3.1 million primarily due to the following changes:

- an increase of \$3.0 million in General Revenue–Dedicated Funds from Account No. 550, Hazardous and Solid Waste Remediation Fee, for environmental remediation of a closed battery facility site pursuant to House Bill 2708, Eighty-seventh Legislature, Regular Session, 2021;
- an increase of \$0.3 million for targeted salary increases for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, and Attorneys within this program; and
- a decrease of \$0.2 million in Federal Funds due primarily to onetime funding increases in fiscal year 2021 not anticipated to continue.

The Dry Cleaning Assessment and Cleanup program was established to regulate and pay for state-conducted soil and groundwater cleanups of solvent releases at dry cleaner sites. The program consists of dry cleaner facility registration requirements, fees, performance standards, distributor registration, revenue disbursements, and a prioritization list of dry cleaner release sites that are being assessed or remediated through the program. Sites that meet TCEQ regulatory standards are placed on a closure list. As of September 1, 2021, 82 sites have been remediated, and 114 of the 233 sites on the prioritization list are on active status. The Dry Cleaning Assessment and Cleanup program is appropriated \$7.2 million in All Funds, continuing 2020–21 biennial spending levels.

The Industrial Hazardous Waste program is a permitting program for governing the management and disposal of industrial and hazardous waste sites across the state. The program regulates industries engaged in the generation, treatment, storage, and disposal of hazardous and industrial

waste and performs several functions, including the corrective action program, the federal Resource Conservation Recovery Act (RCRA)/Non-RCRA Industrial Corrective Action Program, the Natural Resource Trustee Program, and the federal Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act. The RCRA/Non-RCRA Industrial Corrective Action Program oversees soil and groundwater cleanup activities at industrial and hazardous waste facilities to ensure that the cleanups protect human health and the environment. Most facilities have multiple sites that need remediation. Cleanup is considered complete when the cleanup goals of all closure or remediation projects at industrial solid waste and municipal hazardous waste facilities have been achieved. As of November 2021, the agency reports that 974 active sites are involved in the Industrial Corrective Action Program.

The Natural Resource Trustee Program works cooperatively with responsible parties and other state and federal natural resource agencies to restore natural resources that have been affected by oil spills and releases of hazardous materials. As of the end of fiscal year 2021, the program had negotiated final natural resource restoration settlements at 48 sites and has two final settlements pending. The program continues to be involved in assessment and restoration projects associated with the BP Deepwater Horizon oil spill in April 2010.

Appropriations for the Industrial Hazardous Waste program total \$9.1 million in All Funds, an increase of approximately \$0.3 million, or 3.8 percent, from 2020–21 biennial spending levels. This increase is due primarily to a \$0.1 million increase in General Revenue–Dedicated Funds from Account No. 549, Waste Management, for salary increases for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, and Attorneys within this program and \$0.2 million to maintain program funding at the fiscal year 2021 spending level.

Appropriations for the hazardous materials cleanup subarea total \$62.7 million in All Funds, a decrease of \$1.3 million from 2020–21 spending levels, and support 167.3 FTE positions.

#### **RIVER COMPACT COMMISSIONS**

The river compact commissions' program area includes the river compacts program of five signatory interstate compacts that apportion river and stream waters flowing through Texas and other states. These compacts are the Canadian River Compact, the Pecos River Compact, the Red River Compact, the Rio Grande Compact, and the Sabine River Compact.

The shared mission of the Texas River Compact Commissions is to ensure that Texas residents receive their share of river waters as allocated by the various compact agreements. Each river compact is administered by its own commission, which includes representatives of each signatory state and one presidential appointee. Of the seven Texas River Compact Commissioners, the Governor appoints six, and the executive director of TCEQ serves in an ex officio capacity in accordance with statutory provisions. Commissioners engage in activities to protect Texas' water interests and to ensure that Texas receives its share of water from the various compacts. Those activities include the following protective actions: (1) negotiating with signatory states to resolve disputes regarding compact interpretation; (2) investigating and monitoring water resource data collection; (3) conducting surveys to determine the effect of upstream water diversions on water deliveries; (4) working with state, federal, and local entities to address environmental and endangered species issues involving interstate waters; and (5) implementing programs to increase the quantity and improve the quality of water available to Texas.

Appropriations for the river compact commissions' program area total \$6.0 million in General Revenue Funds, a decrease of \$5.0 million, or 45.5 percent, from 2020–21 biennial spending levels, and provide for 7.0 FTE positions. The decrease includes appropriations made in fiscal year 2021 through House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, for Rio Grande Compact litigation expenses, which are not being continued into the 2022–23 biennium.

Funding for Rio Grande Compact litigation expenses during the 2022–23 biennium totals \$5.0 million in General Revenue Funds. In 2013, Texas filed the initial motion with the U.S. Supreme Court, alleging that New Mexico's water permitting policies deprive Texas of water apportioned to it under the compact. The Supreme Court ruled that the United States may pursue the compact's claims in March 2018, and a trial has commenced. As of December 1, 2021, Texas has spent \$30.6 million in litigation costs on this case since fiscal year 2013.

#### **ADMINISTRATION**

TCEQ's administration program area operates divisions that support the agency's four other program areas indirectly. The three programs in the administration program area are (1) Central Administration; (2) Information Resources; and (3) Other Support Services. Central administration includes the Office of General Counsel, Alternative Dispute Resolution,

Office of Administrative Services, Office of the Chief Clerk, Internal Audit, Office of Public Assistance, and Office of Public Interest Counsel. Appropriations for the administration program area total \$116.9 million, or 18.0 percent of the agency's All Funds appropriations, and support 456.5 FTE positions. This amount includes a decrease of \$8.0 million, or 6.4 percent, from 2020–21 biennial spending levels that includes the following changes:

- an increase of \$1.5 million in General Revenue–Dedicated Funds for information technology maintenance and modernization;
- an increase of \$0.1 million in General Revenue–Dedicated Funds for targeted salary increases for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, and Attorneys within this program area;
- an increase of \$0.2 million in General Revenue–Dedicated Funds for implementation of the EPA's revised federal Lead and Copper Rule;
- a net decrease of \$5.5 million in General Revenue–Dedicated Funds from the TERP account due to transfer of the TERP program outside of the General Appropriations Act. The Administration program area was appropriated \$0.1 million in General Revenue–Dedicated Funds from the TERP account for the 2022–23 biennium to fund TERP program operations at the beginning of the fiscal year due to the TERP Fund being statutorily required to begin each biennium with a zero balance;
- a decrease of \$4.1 million in onetime General Revenue–Dedicated Funds for implementation of the Commissioner's Integrated Database in the 2020–21 biennium;
- a net increase of \$0.9 million in General Revenue–Dedicated Funds for the Centralized Accounting and Payroll/Personnel System (CAPPS) that includes:
  - an increase of \$3.3 million for implementing the CAPPS Financials module during the 2022–23 biennium; and
  - a decrease of \$2.4 million for onetime implementation costs of the CAPPS Human Resource and Payroll System during the 2020–21 biennium, including \$1.1 million in funding provided pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021;

- a net decrease of \$7.0 million in General Revenue Funds and General Revenue–Dedicated Funds to align Data Center Consolidation funding with amounts recommended by the Department of Information Resources; and
- a decrease of \$0.1 million in onetime General Revenue–Dedicated Funds for vehicle replacements.

### **SIGNIFICANT LEGISLATION**

**House Bill 2708 – Environmental remediation at certain former battery recycling facility sites.** The legislation permits funding within General Revenue–Dedicated Account No. 550, Hazardous and Solid Waste Remediation, for the remediation of certain former battery recycling facilities.

**Senate Bill 3 – Preventing and responding to weather emergencies and power outages.** The legislation requires the agency to review and approve all emergency preparedness plans submitted from affected utilities and requires the agency to provide any utility with access to the agency’s financial, managerial, and technical contractors to assist in compliance with preparedness plan submission deadlines.

**Senate Bill 900 – Performance Standards for Safety at Storage Vessels program.** The legislation requires the agency to develop a program for the protection of groundwater and surface water resources in the event of an accident or natural disaster.

## GENERAL LAND OFFICE AND VETERANS' LAND BOARD

**PURPOSE:** The agency manages oil and gas leases on state lands; investments of the Permanent School Fund; appraisals of state-owned property; coastal erosion grants; archives of historical land records; and the Alamo Complex. The Texas General Land Office (GLO) is the lead agency for oil spill prevention and response, and disburses disaster-related grants for rebuilding housing and infrastructure. The Veterans' Land Board (VLB) administers land and housing loans and long-term care, and manages cemeteries for Texas veterans.

**ESTABLISHED:** 1837 (GLO); 1946 (VLB)

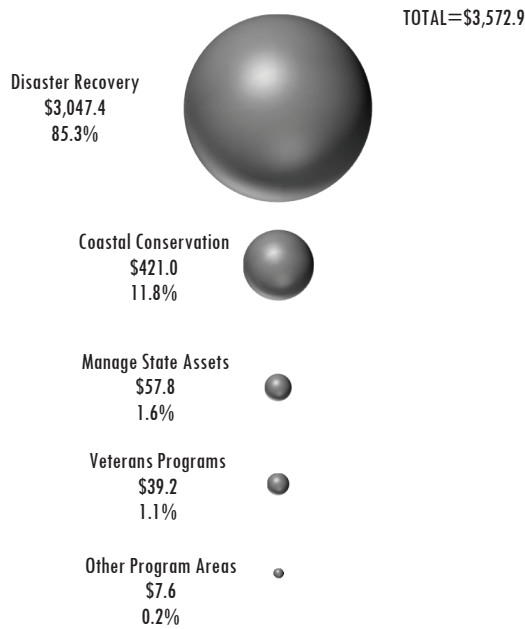
**AUTHORIZING STATUTE:** The Texas Constitution, Articles III, IV, and XIV; the Texas Natural Resources Code

**GOVERNANCE:** Commissioner, statewide elected official

**FIGURE 277**  
**GENERAL LAND OFFICE AND VETERANS' LAND BOARD BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020-21	APPROPRIATED 2022-23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$27.1	\$224.4	\$197.3	727.3%	<table border="1"> <tr> <td><b>2022</b></td> <td>798.0</td> </tr> <tr> <td><b>2023</b></td> <td>798.0</td> </tr> </table>	<b>2022</b>	798.0	<b>2023</b>	798.0
<b>2022</b>	798.0								
<b>2023</b>	798.0								
General Revenue-Dedicated Funds	\$28.7	\$30.0	\$1.3	4.4%					
Federal Funds	\$4,406.1	\$3,159.9	(\$1,246.3)	(28.3%)					
Other Funds	\$581.4	\$158.6	(\$422.8)	(72.7%)					
<b>Total, All Methods of Finance</b>	<b>\$5,043.4</b>	<b>\$3,572.9</b>	<b>(\$1,470.5)</b>	<b>(29.2%)</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Disaster recovery** funding totals **\$3.0 billion in All Funds**, a decrease of **\$1.2 billion in Federal Funds** related primarily to **Hurricane Harvey** recovery. Total funding includes \$1.4 billion for housing projects and \$1.6 billion for infrastructure projects.

**The Alamo is funded with \$10.7 million** for the preservation and maintenance of the Alamo and Alamo Complex. In addition, **\$50.0 million in unexpended supplemental appropriations from Other Funds from the Economic Stabilization Fund** that were appropriated by the Eighty-seventh Legislature, Regular Session, 2021, will be spent during the 2022-23 biennium **for the Alamo Complex and the Alamo Master Plan.**

**Coastal Management and Coastal Erosion Project** funding totals **\$402.1 million**, including \$200.0 million provided for matching funds for studies and coastal projects conducted by the U.S. Army Corps of Engineers.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

All Funds appropriations to the General Land Office (GLO) decreased by \$1.5 billion, or 29.2 percent, from 2020–21 biennial spending levels. Major funding adjustments include the following changes:

- a net decrease of \$1.2 billion in Federal Funds primarily for disaster recovery due to a decrease of \$2.0 billion for short-term housing and community housing projects, offset by an increase of \$781.5 million for infrastructure and mitigation projects;
- an increase of \$200.0 million in General Revenue Funds to provide matching funds for studies and coastal projects conducted by the U.S. Army Corps of Engineers, offset by a decrease of \$200.0 million in onetime funding from Other Funds from the Economic Stabilization Fund (ESF) appropriated for the same purpose in Senate Bill 500, Eighty-sixth Legislature, 2019. The \$200.0 million increase in General Revenue Funds was contingent upon the enactment of Senate Bill 1160, Eighty-seventh Legislature, Regular Session, 2021, which established the Gulf Coast Protection District, and Federal Funds supplanting General Revenue Funds of the same amount elsewhere in the General Appropriations Act;
- a decrease of \$110.0 million in onetime funding from Other Funds from the ESF for the Alamo Complex and the Alamo Master Plan. This includes \$60.0 million carried forward from appropriations initially made by the Eighty-fifth Legislature, 2017, and \$50.0 million in supplemental appropriations for fiscal year 2021 provided in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021;
- a decrease of \$81.9 million in Other Funds from Appropriated Receipts for coastal erosion projects from the National Fish and Wildlife Foundation; the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (RESTORE) Act; the Natural Resource Damage Assessment Trustee program; and the Coastal Erosion Planning and Response Act;
- a decrease of \$26.3 million in All Funds, which includes onetime funding totaling \$24.3 million from Other Funds from the ESF and \$2.0 million from General Revenue–Dedicated Account No. 27, Coastal Protection (Account No. 27). These amounts

were appropriated in Senate Bill 500, Eighty-sixth Legislature, 2019, for the removal of abandoned vessels as a result of Hurricane Harvey; and

- a decrease of \$6.6 million in Other Funds, including \$5.9 million from the Permanent School Fund (PSF), \$0.4 million from the Veterans Land Program Administration Fund, and \$0.3 million from the Texas Veterans Homes Administration Fund, due primarily to onetime costs for the implementation of the Central Accounting Payroll/Personnel System's Human Resources module.

In addition to appropriated amounts, the Veterans' Land Board administers \$1.8 billion in investments outside of the state Treasury that are used for the following purposes: (1) to originate low-interest housing and land loans to eligible Texas veterans; and (2) to fund the construction and ongoing maintenance of cemeteries and long-term skilled nursing facilities for eligible Texas veterans.

## PROGRAMS

Agency activities are carried out in five major program areas: (1) disaster recovery; (2) managing state assets; (3) coastal conservation; (4) veterans' programs; and (5) other program areas.

### DISASTER RECOVERY

GLO is the state's lead agency for administering disaster recovery funding using Community Development Block Grants from the U.S. Department of Housing and Urban Development. The disaster recovery program includes multiple housing activities to assist households recovering from natural disasters, such as Hurricane Ike, which made landfall in September 2008; the 2011 Central Texas wildfires; flooding during calendar years 2015, 2016, 2018, and 2019; and Hurricane Harvey, which made landfall in August 2017. Housing activities include single-family home repair, reconstruction, new construction, demolition, acquisition, and code enforcement. GLO also manages a multifamily affordable housing rental repair and reconstruction program.

Nonhousing activities include infrastructure projects, repairs, public facilities from roads to seawalls, drainage, energy generators, equipment acquisition and installation, and economic development. Firms specializing in design engineering, grant administration, and environmental services provide the local services. The agency estimates completing 184 disaster recovery infrastructure projects in the 2022–23 biennium.

Appropriations for the disaster recovery program area total \$3.0 billion in All Funds, or 85.3 percent of total agency appropriations, including 247.0 full-time-equivalent (FTE) positions. This amount is a decrease of \$1.2 billion, or 29.1 percent, from 2020–21 biennial spending levels.

### **MANAGE STATE ASSETS**

The program area to manage state assets includes seven programs that provide funding to enhance the value of state assets and the revenues they generate through management, acquisition, and investments of agency and state-owned land, minerals, and other assets. The programs in this area include subarea activities related to the following tasks: (1) maintenance and oversight of the Alamo and facilities in the Alamo Complex program; (2) state-owned land value enhancement and revenue generation; and (3) the sale and purchase of real property, including sales and purchases to enhance the values of the PSF.

#### **ALAMO COMPLEX**

GLO was placed in charge of operations and maintenance of the Alamo Complex effective September 1, 2011. Through the Alamo Complex program, GLO has established an agreement with a nonprofit endowment for the management, operation, and financial support of the Alamo and surrounding facilities. Revenues from the operation of the Alamo, grants, donations, and investment income are deposited into the General Revenue–Dedicated Funds Account No. 5152, Alamo Complex (Account No. 5152). GLO is authorized to use the account for expenses related to the Alamo.

Appropriations for the Alamo Complex program total \$10.7 million in All Funds, including 4.0 FTE positions. This amount is a decrease of \$106.7 million, or 90.9 percent, from 2020–21 biennial spending levels for preservation, maintenance, and operation of the Alamo Complex and for implementation of the Alamo Master Plan. This decrease is due primarily to onetime appropriations totaling \$110.0 million in Other Funds from the ESF for the Alamo Master Plan, offset by an increase of \$3.3 million in General Revenue–Dedicated Funds from Account No. 5152. GLO retained \$60.0 million in unexpended Other Funds from the ESF appropriated in the 2018–19 biennium, as allowed by Rider 16, Alamo and Alamo Complex Master Plan and Preservation, Maintenance, and Operations (2020–21 General Appropriations Act), to continue implementation of the Alamo Master Plan and for the operation and maintenance of the Alamo Complex in the 2020–21 biennium. House Bill 2, Eighty-seventh Legislature, Regular

Session, 2021, appropriated an additional \$50.0 million in Other Funds from the ESF in the 2020–21 biennium for the same purpose.

The Alamo Master Plan has been under development since 2016. In addition to the \$50.0 million appropriated by the Eighty-seventh Legislature, Regular Session, 2021, discussed previously, the Eighty-fourth Legislature, 2015, appropriated \$25.0 million, and the Eighty-fifth Legislature, 2017, appropriated \$75.0 million in Other Funds from the ESF for the implementation of the Alamo Master Plan. In October 2018, the San Antonio City Council approved the agency's plan to redevelop the Alamo, which included the approval of a 50-year lease giving the agency control of land and streets owned by the city surrounding the Alamo shrine. Full implementation of the Master Plan is estimated to cost \$450.0 million, with \$38.0 million committed by the city of San Antonio and \$156.0 million by the State of Texas. The nonprofit Alamo Endowment is responsible for raising the remaining funds for the Alamo museum and other site improvements.

#### **STATE-OWNED LAND VALUE ENHANCEMENT AND REVENUE GENERATION**

Four programs contribute to this objective: (1) Energy Resources and Electric Marketing, (2) Asset/Energy/Coastal/Uplands Inspections, (3) Defense and Prosecution of Mineral Lease Claims/Cases, and (4) Commercial Leasing of State-owned Land. Combined, these programs are appropriated \$25.8 million in All Funds, or 0.7 percent of total agency appropriations.

The Energy Resources and Electric Marketing program issues geophysical permits and prospect permits for mineral exploration, evaluates state lands for mineral potential and value, and reviews applications to combine multiple oil and gas leases together for permitting and drilling purposes. Contained within the program is the State Energy Marketing Program, which sells natural gas from selected mineral leases to provide utility savings to public customers, with revenues deposited into the PSF. However, GLO is prohibited from entering into electricity contracts with new customers and from extending contracts with any existing electricity customers after January 1, 2024, pursuant to House Bill 2263, Eighty-sixth Legislature, 2019. Appropriations for the Energy Resources and Electric Marketing program total \$10.7 million in All Funds, including 52.0 FTE positions. This amount is an increase of \$1.3 million, or 13.4 percent, from 2020–21 biennial spending levels.

The Asset/Energy/Coastal/Uplands Inspections program manages activities involving the use of state-owned coastal and upland property. Upland property is defined as land located at an elevation higher than the mean high-tide line. This program is responsible for inspecting and monitoring state oil, gas, and hard-mineral leases throughout the state. Program staff issue surface leases and conduct field assessments of proposed and existing coastal projects. Appropriations for the program total \$9.6 million in All Funds, including 53.0 FTE positions. This amount is a decrease of \$0.5 million, or 4.9 percent, from 2020–21 biennial spending levels.

The Defense and Prosecution of Mineral Lease Claims/Cases program prosecutes claims for deficiencies in payments of mineral royalties and other revenue owed to the PSF for oil, gas, and hard-mineral leases. Resources also are allocated for the prosecution of cases defending the title to PSF lands and mineral or royalty interests against claims filed by third parties. Appropriations for the program total \$5.1 million in All Funds, including 24.3 FTE positions. This amount is an increase of \$0.3 million, or 6.6 percent, from 2020–21 biennial spending levels.

The Commercial Leasing of State-owned Land program issues permits, easements, and leases on all state-owned lands, including submerged lands in bays and within tidewater limits of coastal lakes, bayous, inlets, streams, estuaries, rivers, and creeks. The program analyzes revenue prospects of uses and coordinates assessment of environmental effects. In accordance with this program, uplands are leased for agricultural purposes, grazing, hunting, recreational use, and oil and gas platform sites. Coastal leases include grants of interest to: the Texas Parks and Wildlife Department (TPWD) or an eligible city or county for public recreational purposes; TPWD for estuarine preserves; any nonprofit, tax-exempt environmental organization approved by the School Land Board for managing a wildlife refuge; or any scientific or educational organization or institution for conducting scientific research. Before a land-use contract is issued, GLO evaluates the proposal for consistency with state leasing policy and determines compensation due to the state. Revenue that the agency collects from uplands leases is deposited into the PSF; this revenue totaled \$4.8 million during fiscal year 2021. Revenue that the agency collects from coastal leases, also deposited to the PSF, totaled \$3.7 million during fiscal year 2021. Application fees that the agency collects for these leases are deposited to the credit of the General Revenue Fund. For the 2022–23 biennium, the

agency expects revenues of approximately \$4.3 million per fiscal year from uplands leases and \$4.0 million per fiscal year from coastal leases. Program appropriations total \$0.4 million in PSF Funds, including 2.0 FTE positions. This amount maintains 2020–21 biennial spending levels.

#### SALE AND PURCHASE OF REAL PROPERTY

Two programs constitute this subarea: (1) PSF Asset Management; and (2) State-owned Property Appraisals. Combined, these programs were appropriated \$21.3 million in All Funds, or 0.6 percent of total agency appropriations.

Through the PSF Asset Management program, GLO manages state PSF lands and mineral rights properties totaling 13.2 million acres. These properties include beaches, bays, estuaries, and other submerged lands extending to 10.3 miles in the Gulf of Mexico; institutional acreage; grazing lands in West Texas; and timberlands in East Texas. In managing those properties, GLO leases drilling rights for oil and gas production on state lands, producing revenue and royalties. These proceeds are deposited to an escrow account connected to the PSF called the Real Estate Special Fund Account (RESFA), which may be used for the acquisition of real property interests on behalf of the PSF.

Senate Bill 1232, Eighty-seventh Legislature, Regular Session, 2021, authorizes the State Board of Education (SBOE) to incorporate the Permanent School Fund Corporation to manage the PSF. The corporation is governed by nine members, including five appointed by the SBOE, two appointed by the Governor, the Land Commissioner, and a member appointed by the Land Commissioner. The legislation requires the School Land Board (SLB) to transfer all revenue derived from mineral or royalty interests to the corporation for investment in the PSF.

The agency also conducts field audits to review oil, gas, and hard-mineral royalties on state leases to identify unpaid and underpaid royalties and penalties. **Figure 278** shows the number of royalty audits completed from fiscal years 2012 to 2021, the corresponding unpaid royalties detected, and amounts recovered by GLO staff.

The PSF Asset Management program acquires real property for value appreciation and revenue for the PSF. The program identifies targets for acquisition and disposition of investment property and provides management of the PSF investment portfolio and PSF property. The program oversees conservation and reclamation projects, permanent improvements on PSF land, and the purchase of easements.



Proceeds from the sale of PSF lands are deposited to RESFA. Revenue from PSF land sales may be used to acquire additional real property interests for PSF.

GLO provides administrative support to the SLB, which is responsible for the management and development of all real property owned by PSF and the management of the PSF investment portfolio. SLB is composed of the Land Commissioner and four public representatives.

GLO transferred \$55.0 million to the SBOE for investment in the PSF during the 2020–21 biennium. GLO also transferred \$900.0 million to the Available School Fund (ASF) during the 2020–21 biennium and anticipates transferring \$415.0 million in fiscal year 2022 and \$460.0 million in fiscal year 2023.

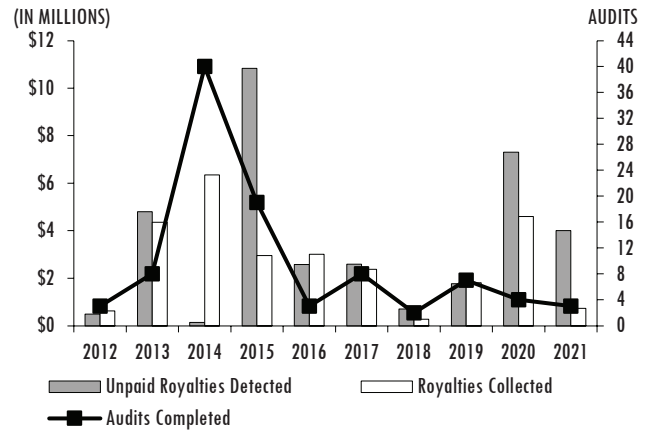
**Figure 279** shows GLO contributions to the PSF for equity investment, excluding the revenue generated by uplands, coastal, and miscellaneous leases and the revenue remaining in the agency’s RESFA for fiscal years 2012 to 2021.

The primary focus of the SLB and the GLO Investment Advisory Committee is diversification of assets by investment in real estate funds rather than the actual acquisition of real property to be held by the PSF. As a result, during the past several biennia, SLB has approved the acquisition of relatively few specific tracts of land. Pursuant to statute, SLB is authorized to deposit funds directly to the ASF. **Figure 280** shows how revenue is deposited to the PSF.

The PSF distribution to the ASF is governed by the Texas Constitution, Article VII, Section 5(a), and the Texas Education Code, Section 43.002. On November 5, 2019, Texas voters approved a constitutional amendment proposed with House Joint Resolution 151, Eighty-sixth Legislature, 2019, which amended the Texas Constitution, Article VII, Section 5(g), to authorize SBOE, in addition to GLO, to distribute revenue from PSF land or properties to the ASF in an amount not to exceed \$600.0 million per year. Senate Bill 1232, Eighty-seventh Legislature, Regular Session, 2021, requires the newly formed Permanent School Fund Corporation to establish an annual minimum distribution rate from the PSF to the ASF.

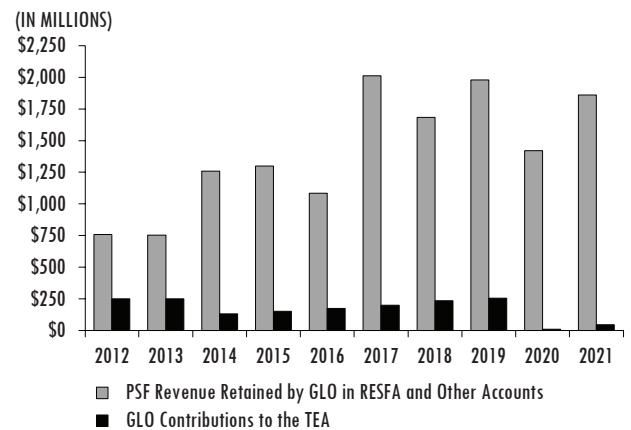
Appropriations for the PSF Asset Management program total \$15.6 million in All Funds, including 68.5 FTE positions. This amount is a decrease of \$8.8 million, or 36.1 percent, from 2020–21 biennial spending levels. This decrease is related primarily to onetime funding for the

**FIGURE 278**  
**PERMANENT SCHOOL FUND ROYALTY REVENUE AUDITS**  
**FISCAL YEARS 2012 TO 2021**



SOURCE: General Land Office and Veterans' Land Board.

**FIGURE 279**  
**PERMANENT SCHOOL FUND CONTRIBUTIONS AND REAL ESTATE SPECIAL FUND ACCOUNT RECEIPTS**  
**FISCAL YEARS 2012 TO 2021**



NOTES:

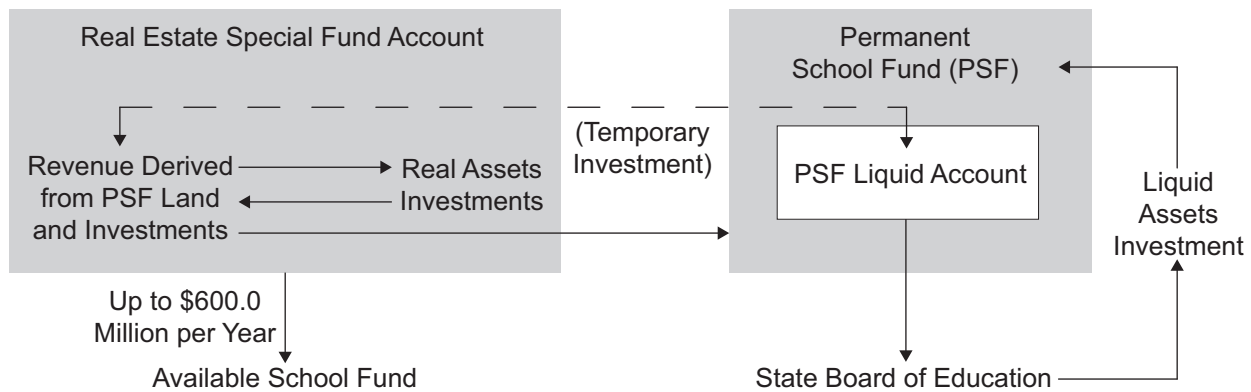
- (1) PSF=Permanent School Fund; GLO=General Land Office; RESFA=Real Estate Special Fund Account; TEA=Texas Education Agency.
- (2) General Land Office Escrow Account amounts include mineral lease royalty revenues.

SOURCE: General Land Office and Veterans' Land Board.

Centralized Accounting and Payroll/Personnel System’s (CAPPS) Human Resources (HR) module implementation.

The State-owned Property Appraisals program provides property values to the Asset Management program and SLB to facilitate informed decisions regarding the PSF portfolio. GLO also is required statutorily to appraise all state-owned properties of the largest agencies. GLO maintains an

**FIGURE 280**  
**PERMANENT SCHOOL FUND REVENUE PROCESS**  
**2020–21 BIENNIUM**



SOURCE: Legislative Budget Board.

inventory of real property owned by state agencies and determines the properties’ market value. The program is appropriated \$5.7 million in All Funds, including 17.0 FTE positions. This amount is an increase of \$2.5 million, or 76.2 percent, from 2020–21 biennial spending levels.

Appropriations for the manage state assets program area total \$57.8 million in All Funds, representing 1.6 percent of the agency’s total appropriation. This amount represents a decrease of \$112.0 million, or 66.0 percent, from 2020–21 biennial spending levels.

**COASTAL CONSERVATION**

GLO is the lead agency for coastal management in Texas and is charged with developing a long-term strategy for the protection and enhancement of the coastal environment and economy. The agency is responsible for 367 miles of Texas coastline and 3,300 miles of bay shoreline. The coastal conservation program area includes six programs in two subareas: (1) protect and maintain Texas coastal resources; and (2) prevent and respond to oil spills.

**PROTECT AND MAINTAIN TEXAS COASTAL RESOURCES**

Three programs constitute this subarea: (1) Coastal Management, (2) Coastal Erosion Response Projects, and (3) Adopt-A-Beach.

The Coastal Management program (CMP) administers federal management grants for coastal zones and an erosion program, engages in education and outreach, and participates in coastal planning and policy making. The Land Commissioner, in consultation with representatives from seven state agencies and four public appointees, has rule-

making and grant-making authority for CMP. CMP awards approximately 90.0 percent of the available Federal Funds as grants to universities, nonprofit organizations, and coastal communities. GLO retains approximately 10.0 percent of CMP funds for program administration. Appropriations total \$320.4 million in All Funds, including 25.0 FTE positions. This amount is a decrease of \$10.8 million, or 3.3 percent, from 2020–21 biennial spending levels. Senate Bill 500, Eighty-sixth Legislature, 2019, appropriated \$200.0 million in Other Funds from the ESF as matching funds for the construction of a new levee system in Orange County and updating and expanding two existing levee systems in Brazoria and Jefferson counties. The project is being constructed by the U.S. Army Corps of Engineers (USACE) and will cost \$4.0 billion, with the state contributing matching funds for 35.0 percent of the total cost. GLO was appropriated an additional \$200.0 million in General Revenue Funds in the 2022–23 biennium as a contribution toward this requirement, contingent upon the enactment of Senate Bill 1160, Eighty-seventh Legislature, Regular Session, 2021, which established the Gulf Coast Protection District, and Federal Funds supplanting General Revenue Funds of the same amount elsewhere in the General Appropriations Act.

Senate Bill 1160 established the Gulf Coast Protection District to manage the projects identified in the Coastal Texas and Sabine Pass to Galveston Bay studies that offer solutions for storm surge flooding on the Texas Gulf Coast in Chambers, Galveston, Harris, Jefferson, and Orange counties. It also provided the entity with the authority to

issue bonds, impose fees, impose a tax, and to exercise the power of eminent domain. These powers provide the Gulf Coast Protection District with the authority to sign a project partnership agreement with USACE as a local sponsor, which is necessary for the state to receive federal funding for improvements included in the studies. The studies, led by USACE, are in partnership with the GLO.

The Coastal Erosion Response Projects program provides funding for beach nourishment, dune restoration, shoreline protection, marsh restoration, structure and debris removal, and studies on shoreline change. Funding for the Coastal Erosion Response Projects program totals \$80.5 million in All Funds, including 13.0 FTE positions. This amount is a decrease of \$95.3 million, or 54.2 percent, from 2020–21 biennial spending levels. This decrease is due primarily to a reduction in Other Funds that are no longer available in Appropriated Receipts for coastal erosion projects from the National Fish and Wildlife Foundation, the federal RESTORE Act, and the Natural Resource Damage Assessment Trustee program.

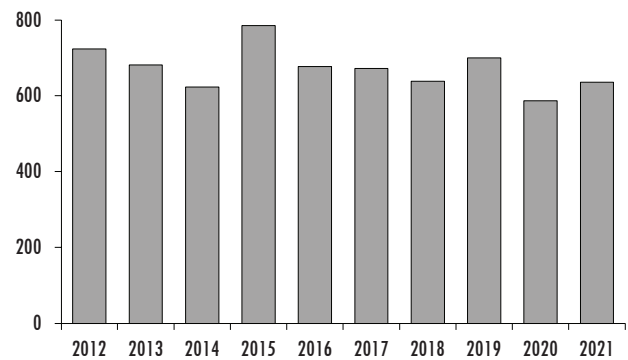
The Adopt-A-Beach program is an all-volunteer effort dedicated to preserving and protecting beaches by keeping them clean and safe. Since the first cleanup, more than 550,000 volunteers have helped remove more than 9,700 tons of trash from Texas beaches. Appropriations total \$0.5 million, including 2.0 FTE positions. This amount maintains 2020–21 biennium spending levels.

#### PREVENT AND RESPOND TO OIL SPILLS

GLO is the lead state agency responsible for preventing and responding to oil spills in coastal waters. The agency monitors the integrity of oil transport through Texas coastal waters to respond quickly and efficiently to oil spills. Three programs constitute this subarea: (1) Oil Spill Prevention; (2) Oil Spill Response; and (3) Oil Spill Research and Development.

The Oil Spill Prevention program involves patrolling on land and water for discharges and monitoring the loading and offloading of petroleum products at refineries. The program also includes an education component to instruct vessel operators regarding environmental damage caused by small chronic spills and to provide prevention measures. Appropriations total \$8.9 million in General Revenue–Dedicated Funds from Account No. 27, including 53.0 FTE positions, which is a decrease of \$0.1 million, or 1.5 percent, from 2020–21 biennial spending levels. Account No. 27 receives revenues from a \$0.013 fee per barrel on crude oil

**FIGURE 281**  
**OIL SPILL RESPONSES IN TEXAS COASTAL WATERS**  
**FISCAL YEARS 2012 TO 2021**



SOURCE: General Land Office and Veterans' Land Board.

loaded or unloaded in Texas ports by vessel. Fee collections are suspended when the unencumbered account balance reaches \$20.0 million and resume when the balance reaches less than \$10.0 million.

The Oil Spill Response program consists of five regional offices that respond to oil spills and provide audits, inspections, and harbor patrols by boat and vehicle. **Figure 281** shows GLO oil spill responses for fiscal years 2012 to 2021. Additionally, the program oversees implementation of restoration projects associated with the BP Deepwater Horizon oil spill during calendar year 2010. Appropriations total \$8.3 million in All Funds, including 18.0 FTE positions, which is a decrease of \$4.1 million, or 32.9 percent, from 2020–21 biennial spending levels. This decrease is related primarily to onetime supplemental appropriations pursuant to Senate Bill 500, Eighty-sixth Legislature, 2019, to remove vessels abandoned as a result of Hurricane Harvey.

The Oil Spill Research and Development program conducts oil spill-related research relating to dispersants, shoreline cleaners, bioremediations studies, and high-frequency radar. Appropriations total \$2.4 million in General Revenue–Dedicated Funds from Account No. 27 and include no FTE positions because all services are contracted. This amount is an increase of \$0.1 million, or 5.3 percent, from 2020–21 biennial spending levels.

The coastal conservation program area was appropriated \$421.0 million in All Funds, representing 11.8 percent of the agency's total appropriation. This amount represents a decrease of \$110.2 million, or 20.7 percent, from 2020–21 biennial spending levels, primarily related to a decrease in

Other Funds from Appropriated Receipts for coastal erosion projects and onetime supplemental funding provided in Senate Bill 500, Eighty-sixth Legislature, 2019.

Not included in these amounts are \$5.3 million in Federal Funds from the American Rescue Plan Act of 2021, provided pursuant to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, including \$5.0 million for Brazoria County to maintain beach and dunes along the Bluewater Highway and Beach Access Road Five and \$0.3 million for a cost analysis of the Coastal Texas Study design elements to be conducted by the Gulf Coast Protection District.

**VETERANS' PROGRAMS**

The Veterans' Land Board (VLB), with two public members and the Land Commissioner as chair and administrator, was established by the Legislature during fiscal year 1946. VLB administers and markets three major benefit programs for Texas veterans: (1) low-interest loans for the purchase of land, homes, and home improvements; (2) cemetery operations; and (3) oversight of the operation of long-term, skilled nursing homes. Qualified Texas veterans may participate in all three programs. In addition to these three programs, GLO has program funds to construct cemeteries and to market the benefit programs and provide customer service to veterans using the benefit programs.

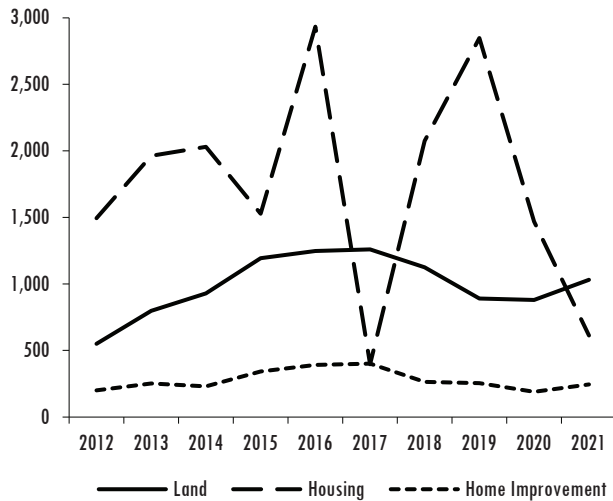
**VLB MARKETING AND CUSTOMER SERVICE**

The Veterans' Land Board Marketing and Customer Service program maintains the VLB website and manages multiple veteran, lender, and real estate agency databases to provide support for direct-mail marketing, social media, television, radio, and Internet advertising. The program is appropriated \$15.8 million in All Funds, which provides for 78.2 FTE positions to respond to inquiries regarding benefits and services offered by VLB and the U.S. Department of Veterans Affairs (VA). This amount includes a decrease of \$3.2 million, or 16.9 percent, from 2020–21 biennial spending levels, primarily related to onetime funding for CAPPS Payroll/HR implementation.

**VETERANS' LAND AND HOUSING – LOAN OPERATIONS**

The Veterans' Land and Housing – Loan Operations program receives, processes, originates, and closes land, housing, and home improvement loan applications for veterans. It also mediates and resolves customer complaints, processes housing and home improvement loan releases of liens and foreclosure documents. In addition, the program conducts forfeited land sealed bid lease sales.

**FIGURE 282  
VETERANS' LAND BOARD LOAN ACTIVITY  
FISCAL YEARS 2012 TO 2021**



YEAR	LOANS		
	LAND	HOUSING	HOME IMPROVEMENT
2012	550	1,494	200
2013	798	1,963	252
2014	929	2,030	230
2015	1,193	1,527	342
2016	1,247	2,933	391
2017	1,260	396	401
2018	1,124	2,074	264
2019	890	2,848	254
2020	879	1,469	190
2021	1,031	612	245

SOURCE: General Land Office and Veterans' Land Board.

The program is a self-supporting program that provides low-interest, fixed-rate 30.0-year loans of up to \$150,000 to Texas veterans for the purchase of land. Two other loan programs aid veterans in purchasing and improving their homes. The Veterans' Housing Assistance Program enables an eligible veteran to borrow up to \$484,350 to buy a home. The Veterans' Home Improvement Program enables an eligible veteran to borrow up to \$50,000 for home improvements. The agency expects to provide 2,666 land and home improvements loans in the 2022–23 biennium.

Figure 282 shows the loan activity for fiscal years 2012 to 2021. The agency's programs are financed with fees and constitutionally authorized General Obligation Bond

Proceeds (Other Funds) that are repaid by the veterans participating in the programs. This program is appropriated \$10.5 million in All Funds, including 42.0 FTE positions. This amount represents an increase of \$0.6 million, or 6.6 percent, from 2020–21 biennial spending levels.

#### **STATE VETERANS' HOMES**

The State Veterans' Homes program oversees operation of long-term, skilled-care, nursing homes at the following nine sites: Amarillo, Big Spring, Bonham, El Paso, Floresville, Houston, McAllen, Temple, and Tyler. A tenth home is currently under development in Fort Worth. The program is available for qualified veterans and their spouses and for certain parents of deceased veterans. Daily operations of the veterans' homes are the responsibility of contract operators. In addition to its program-management responsibilities, VLB provides each veterans' home with full-time staff that are responsible for ensuring that the contract operators are complying with the terms of the management agreement and delivering quality care. These staff also assist with marketing activities such as distributing information to the community and assisting potential residents and their families with admission application forms.

The program is a partnership among the VA, VLB, and private-sector healthcare providers. It has significant administrative participation from the Texas Veterans Commission, Veterans County Service Officers, and veterans' organizations in the communities in which the homes are located. The homes provide skilled nursing care; specialized services such as physical, speech, and occupational therapies; and various recreational and educational activities. Operating costs for the skilled nursing homes are financed by the participating veterans' Social Security benefits, a VA per-diem subsidy, Medicare and Medicaid payments, disability entitlements, private insurance, and personal income.

Program appropriations total \$7.9 million, including 45.0 FTE positions, which represents a decrease of \$0.2 million, or 2.0 percent, from 2020–21 biennial spending levels.

Not included in these amounts are \$35.0 million in Federal Funds from the American Rescue Plan Act of 2021, provided pursuant to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, for heating, ventilating, and air conditioning and air filtration upgrades, negative pressure COVID-19 wards, and mobile high-efficiency particulate air units for all nine state veterans' homes and the new Fort Worth home under construction.

#### **CEMETERY OPERATIONS AND CEMETERY CONSTRUCTION**

VLB is authorized to operate and construct up to seven state veterans' cemeteries through the Cemetery Operations program and the Cemetery Construction program. These cemeteries are designed, constructed, and equipped through grants from the VA. After cemetery construction is completed, VLB owns and operates the cemetery and funds most of the cost of operations. These cemeteries serve veterans, their spouses, and their dependents that are not served already by one of the four national cemeteries in Texas. VLB operates four veterans' cemeteries in Abilene, Corpus Christi, Killeen, and Mission. Funding for the operation of the state veterans' cemeteries is provided from the assets of the VLB loan programs, as authorized by the Texas Constitution. Appropriations for the Cemetery Operations program total \$5.0 million in All Funds, including 15.0 FTE positions, which is an increase of \$1.7 million, or 49.9 percent, from 2020–21 biennial spending levels. Funding for construction of state veterans cemeteries is provided using grants from the VA totaling \$19,200, which continues funding at 2020–21 biennial spending levels. This program has no FTE positions.

Appropriations for the veterans' programs area total \$39.2 million in All Funds, which includes a decrease of \$1.1 million, or 2.7 percent, from 2020–21 biennial spending levels due primarily to onetime funding for CAPPS Payroll/HR implementation.

#### **OTHER PROGRAM AREAS**

The other program areas include the (1) Archives and Records program; and the (2) Surveying and Tide Gauge program.

GLO serves as the custodian of original land grant records, maps, and other records of historic significance to Texas through activities in its Archives and Records program. In addition to preserving historic records, the program digitizes records for public use and assists the public with genealogical, land title, historical, and mineral rights research. Program appropriations total \$4.8 million in All Funds, including 27.0 FTE positions, which includes a decrease of \$0.4 million, or 6.8 percent, from 2020–21 biennial spending levels.

Through its activities in the Surveying and Tide Gauge program, GLO defines boundaries of PSF properties and uses tide gauges to document beach erosion and maintain coastal boundaries, including boundaries of state-owned submerged land. Program appropriations total \$2.8 million

in All Funds, including 12.0 FTE positions, which is an increase of \$0.7 million, or 32.8 percent, from 2020–21 biennial spending levels.

Appropriations for other program areas total \$7.6 million in All Funds, which includes an increase of \$0.3 million, or 4.8 percent, from 2020–21 biennial spending levels.

### **SIGNIFICANT LEGISLATION**

**Senate Bill 1160 – Establishes the Gulf Coast Protection District.** The legislation establishes the Gulf Coast Protection District to manage the projects identified in the Coastal Texas and Sabine Pass to Galveston Bay studies located in Chambers, Galveston, Harris, Jefferson, and Orange counties. The legislation also authorizes the new entity to issue bonds, impose fees, impose a tax, and to exercise the power of eminent domain. The legislation also authorizes the Gulf Coast Protection District to sign a project partnership agreement with the U.S. Army Corps of Engineers (USACE) as a local sponsor, which is necessary for the state to receive federal funding for improvements included in the studies. The studies, led by the USACE in partnership with the GLO, offer solutions for storm surge flooding on the Texas Gulf Coast.

**Senate Bill 1232 – Permanent School Fund Corporation.** The legislation authorizes the State Board of Education (SBOE) to incorporate the Permanent School Fund Corporation to manage the Permanent School Fund (PSF). The corporation is governed by nine members, including five members appointed by the SBOE, two members appointed by the Governor, the Land Commissioner, and a member appointed by the Land Commissioner. The legislation requires the School Land Board to transfer all revenue derived from mineral or royalty interests to the corporation for investment in the PSF. It also requires the Permanent School Fund Corporation to establish an annual minimum distribution rate from the PSF to the Available School Fund.

## TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION

**PURPOSE:** To uphold the compact between Texas and Vermont to manage low-level radioactive waste generated within the two states by cooperating to protect the health, safety, and welfare of their residents and the environment; and by providing for and encouraging the economic management and disposal of low-level radioactive waste.

**ESTABLISHED:** 1998

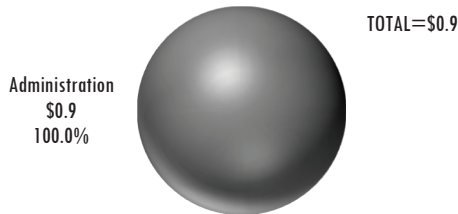
**AUTHORIZING STATUTE:** The Texas Health and Safety Code, Chapter 403

**GOVERNANCE:** Compact Commission—six members from Texas, two members from Vermont, each appointed by their respective governors

**FIGURE 283**  
**TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	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	2.2%	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	2022 0.0
Other Funds	\$0.0	\$0.0	\$0.0	N/A	
<b>Total, All Methods of Finance</b>	<b>\$0.9</b>	<b>\$0.9</b>	<b>\$0.0</b>	<b>2.2%</b>	<b>2023 0.0</b>

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Approximately **\$60.6 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, by the end of fiscal year 2023, **91.0 percent of the volumetric capacity** and **80.0 percent of the activity capacity** in the compact waste disposal facility will **remain available**.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Appropriations for the Low-level Radioactive Waste Disposal Compact Commission (LLRWDCC) total \$0.9 million in General Revenue–Dedicated Funds, Account No. 5151, Texas Low-Level Radioactive Waste Disposal Compact Commission (Account No. 5151), which is an increase of \$18,950, or 2.2 percent, from the 2020–21 biennial spending level. The increase provides information technology funding to upgrade the agency’s financial system through the Centralized Accounting and Payroll/Personnel System.

**PROGRAMS**

LLRWDCC 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.

LLRWDCC ensures compliance with the terms of the agreement’s language by administratively supporting the functions of the commission. These terms include estimating the quantity of waste generated within the compact member states for disposal during a period ending in fiscal year 2045, 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, the agency 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 agreement requires that each party state provides financial support for the commission’s activities before the date of facility operation. Funding for commission operations comes from Account No. 5151, which consists of revenue from a surcharge on facility disposal fees specifically assessed to cover the compact’s administrative costs. Proportional contributions from the State of Vermont to cover commission costs are expected to continue. The commission is not authorized to employ full-time-equivalent positions, and it uses contractors to perform necessary administrative duties.



## PARKS AND WILDLIFE DEPARTMENT

**PURPOSE:** Manage and conserve the natural and cultural resources of Texas and provide hunting, fishing, and outdoor recreational opportunities; enforce hunting and fishing laws; and safely operate state parks, historic sites, natural areas, and wildlife management areas.

**ESTABLISHED:** 1963

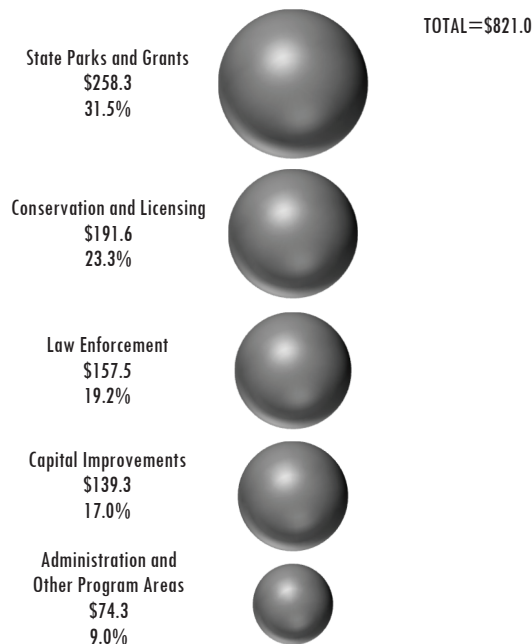
**AUTHORIZING STATUTE:** The Texas Parks and Wildlife Code, §11.011

**GOVERNANCE:** Texas Parks and Wildlife Commission – nine members appointed by the Governor with the advice and consent of the Senate

**FIGURE 284**  
**PARKS AND WILDLIFE DEPARTMENT BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$291.9	\$385.3	\$93.4	32.0%	<b>2022</b> 3,160.9  <b>2023</b> 3,160.9
General Revenue–Dedicated Funds	\$315.4	\$288.5	(\$26.9)	(8.5%)	
Federal Funds	\$287.9	\$134.6	(\$153.3)	(53.3%)	
Other Funds	\$75.7	\$12.7	(\$63.0)	(83.3%)	
<b>Total, All Methods of Finance</b>	<b>\$970.9</b>	<b>\$821.0</b>	<b>(\$149.9)</b>	<b>(15.4%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**State Parks operations funding totals \$151.6 million, an increase of \$8.7 million. Grant funding includes \$43.7 million for local parks and \$23.6 million for boating access and other recreational opportunities.**

**Sporting Goods Sales Tax (SGST) appropriations total \$376.5 million, or 100.0 percent, of the SGST estimated to be available for the Parks and Wildlife Department. An additional \$18.0 million in unexpended balances also is appropriated. This amount exceeds 2020–21 biennial spending levels by \$100.6 million.**

**Capital Improvements and Major Repairs funding totals \$116.6 million in All Funds, a 10.6 percent decrease from 2020–21 biennial spending. This amount includes \$70.8 million from SGST appropriations.**

SOURCE: Legislative Budget Board.

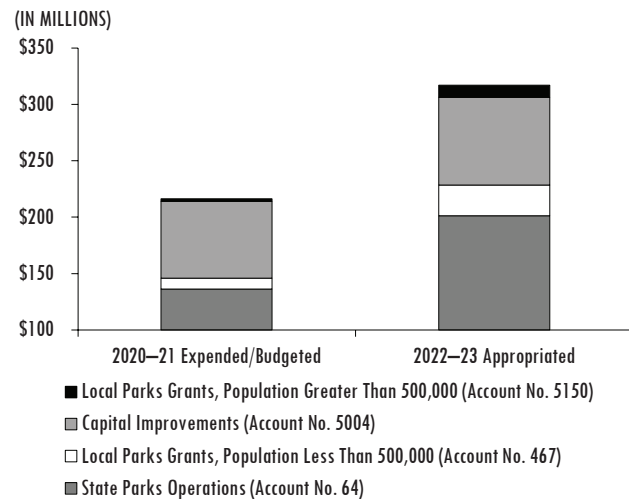
### MAJOR FUNDING

Appropriations for the Texas Parks and Wildlife Department (TPWD) total \$821.0 million in All Funds, which is a decrease of \$149.9 million, or 15.4 percent, from the 2020–21 biennial spending level, and provide for 3,160.9 full-time-equivalent (FTE) positions. The decrease primarily includes \$153.3 million in Federal Funds due to the agency spending down allotment balances from the 2020–21 biennium, \$63.0 million in Other Funds, and \$26.9 million in General Revenue–Dedicated Funds. The Federal Funds decrease does not represent an overall decrease in Federal Funds available to the agency. The agency receives funding from various federal sources for wildlife and fisheries conservation and management, developing outdoor recreation opportunities, law enforcement, and outreach and education efforts. These decreases are offset partially by increases of \$93.4 million in General Revenue Funds. The increases in General Revenue Funds include an overall increase of \$100.6 million in Sporting Goods Sales Tax (SGST) appropriations. In addition, a portion of the estimated decreases of \$153.3 million in Federal Funds and of \$44.1 million in Other Funds from Appropriated Receipts may change as the agency receives additional federal grants, unanticipated donations, or other new funding during the 2022–23 biennium.

General Revenue Funds and General Revenue–Dedicated Funds appropriated to the agency increased by a net \$66.5 million from the 2020–21 biennial spending level, including the following significant issues:

- SGST funds appropriated directly to TPWD total \$316.9 million, an increase of \$100.6 million. This amount includes an additional \$18.0 million in unexpended balances remaining from fiscal year 2021;
- a decrease of \$5.4 million in General Revenue Funds resulting from decreases of \$12.4 million for removal of onetime grant funding; \$3.8 million for a method-of-finance adjustment with General Revenue–Dedicated Funds from Account No. 9, Game, Fish, and Water Safety (Account No. 9); \$2.4 million for the ongoing support of financial system upgrades for the Centralized Accounting and Payroll/Personnel System (CAPPS) funded in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and \$2.2 million for vehicles that also were funded in House Bill 2. These decreases

**FIGURE 285**  
**TOTAL SPORTING GOODS SALES TAX TRANSFERS BY**  
**GENERAL REVENUE–DEDICATED ACCOUNT**  
**2020–21 AND 2022–23 BIENNIA**



SOURCES: Legislative Budget Board; Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium.

are offset partially by increases of \$10.1 million for law enforcement officer salary increases and \$5.5 million for grants to recreational facilities;

- a decrease of \$14.3 million in General Revenue–Dedicated Funds primarily for items funded in fiscal year 2021 in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, from Account No. 9, including \$12.5 million for vehicles, \$6.5 million for a law enforcement helicopter, and \$0.7 million for CAPPS implementation. These decreases are offset partially by an increase of \$3.8 million for a method-of-finance adjustment with General Revenue Funds and an increase of \$1.0 million for law enforcement equipment; and
- a net decrease of \$12.6 million in General Revenue–Dedicated Funds from Account No. 64, State Parks (Account No. 64), to partially offset increases in SGST.

As shown in **Figure 285**, General Revenue Funds and General Revenue–Dedicated Funds include SGST transfers to four General Revenue–Dedicated Funds accounts: Account No. 64, State Parks; Account No. 467, Texas Recreation and Parks; Account No. 5150, Large County and Municipality Recreation and Parks; and Account No. 5004, Texas Parks and Wildlife Conservation and Capital.

**FIGURE 286**  
**SPORTING GOODS SALES TAX FUNDING, 2020–21 AND 2022–23 BIENNIA**

(IN MILLIONS)

PURPOSE	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE
Texas Parks and Wildlife Department	\$216.3	\$298.9	\$82.6
Texas Historical Commission	\$23.2	\$28.3	\$5.1
Employee Benefits, Retiree Insurance, and Debt Service	\$66.7	\$77.6	\$10.9
<b>Total</b>	<b>\$306.2</b>	<b>\$404.8</b>	<b>\$98.6</b>

NOTES:

- (1) Appropriated amounts for the Texas Parks and Wildlife Department for the 2022–23 biennium do not include \$17,980,056 in unexpended balances remaining from fiscal year 2021.
- (2) Employee benefits, retiree insurance, and debt service are estimated in appropriated amounts for the 2022–23 biennium.
- (3) Totals and differences may not sum due to rounding.

SOURCES: Legislative Budget Board; Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium, Article VI, Parks and Wildlife Department, Rider 14, Sporting Goods Sales Tax (SGST).

SGST is not a separate tax; it is an estimated amount of state tax revenue collected from the sale, storage, or use of sporting goods that TPWD is constitutionally required to receive. Pursuant to voter approval of Senate Joint Resolution 24, Eighty-sixth Legislature, 2019, related to SGST appropriation and allocation, this revenue is prohibited from being available for certification by the Comptroller of Public Accounts.

For the 2022–23 biennium, the Legislature appropriated \$404.8 million, which is 100.0 percent of SGST estimated to be available. This amount includes \$77.6 million for employee benefits, retiree insurance, and debt service payments. It does not include \$18.0 million in unexpended balances remaining from fiscal year 2021 appropriations, which the agency also is authorized to spend during the 2022–23 biennium. Since the 2008–09 biennium, the Comptroller of Public Accounts has estimated the amount of SGST that will be available. In accordance with current law, 93.0 percent of this amount must be appropriated to TPWD, and the remaining 7.0 percent must be appropriated to the Texas Historical Commission (THC). As during previous biennia, any unappropriated SGST revenue remains in the General Revenue Fund, where it is deposited initially. **Figure 286** shows 2020–21 biennial amounts of SGST funding compared to 2022–23 biennial appropriations. In addition, the voter approval in November 2019 of the constitutional amendment proposed in Senate Joint Resolution 24, Eighty-sixth Legislature, 2019, requires SGST revenue to be appropriated automatically to TPWD and THC beginning September 1, 2021.

Appropriations of General Revenue–Dedicated Funds decreased by \$26.9 million from 2020–21 biennial

spending levels, primarily related to decreases of \$14.3 million in Account No. 9, and \$12.6 million in Account No. 64. Decreases from Account No. 9, are primarily for items funded in fiscal year 2021 in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, including \$12.5 million for vehicles, \$6.5 million for a law enforcement helicopter, and \$0.7 million for CAPPs implementation, which are offset partially by increases of \$3.8 million for a method-of-finance adjustment with General Revenue Funds and \$1.0 million for law enforcement equipment. The net decrease from Account No. 64 is to offset partially the increases in SGST.

Federal Funds for TPWD decreased by \$153.3 million, or 53.3 percent, from 2020–21 biennial spending levels based upon agency estimates. The decrease is related primarily to the agency's expenditure of federal grant allotments from previous years during the 2020–21 biennium. According to the agency, TPWD typically has three years to expend federal grants for authorized expenses (e.g., wildlife restoration, local park grants, etc.). These amounts could change depending on how the agency expends federal grant allotments from previous fiscal years or if additional funding becomes available to the agency during the 2022–23 biennium. The agency typically provides an estimate for Federal Funds known to be available when submitting its appropriation request. This estimate consistently results in larger amounts of Federal Funds received during a biennium than initially anticipated and appropriated.

Other Funds for the agency decreased by \$63.0 million, or 83.3 percent, from 2020–21 biennial spending levels. The decreases include \$13.4 million from the Economic Stabilization Fund (ESF) provided pursuant to Senate Bill

500, Eighty-sixth Legislature, 2019, for onetime capital expenditures; \$44.1 million from Appropriated Receipts primarily for anticipated fluctuations in donations; \$5.0 million from bond proceeds; \$0.3 million from the License Plate Trust Fund; and \$0.2 million from Interagency Contracts primarily related to completion of contracts with the Texas Department of Transportation, Texas Water Development Board, Department of Public Safety, and the University of Texas.

Like the estimation of Federal Funds, the appropriated amounts from Appropriated Receipts represent existing agreements and could increase as the agency receives reimbursements, donations and gifts, and other revenues that are not part of the revenue sources for General Revenue–Dedicated Funds accounts.

**PROGRAMS**

TPWD fulfills its mission of conserving natural and cultural resources of the state and providing hunting, fishing, and outdoor recreation opportunities through five program areas: (1) state parks and grants; (2) capital improvements; (3) conservation and licensing; (4) law enforcement; and (5) administration and other programs.

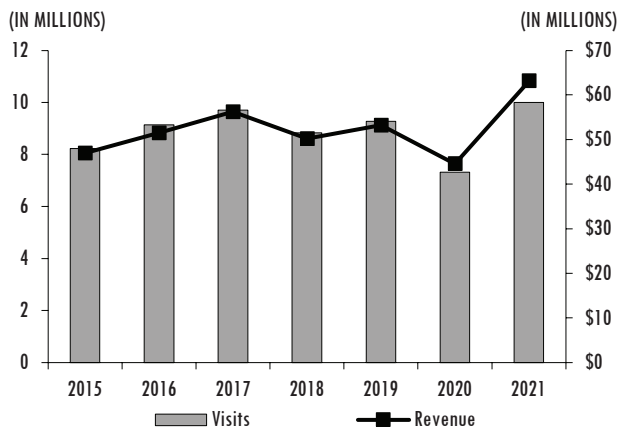
**STATE PARKS AND GRANTS**

The state parks and grants program area includes six programs that provide two main functions: (1) operation and support of state parks; and (2) providing grants to local parks and for boating access and other recreation opportunities.

**STATE PARK OPERATIONS**

The State Parks Operations program operates and maintains state parks, state historic sites, and state natural areas. The agency manages 89 state parks, state historic sites, and state natural areas, and 84 of these facilities are open to the public. Visitation to these facilities totaled 10.0 million during fiscal year 2021. **Figure 287** shows total visits, including paid visits and those not subject to fees, and total revenue collected from state park users. Growth in revenue typically has outpaced growth in visitation since fiscal year 2015 due to increased sales of prepaid park passes and concessions, including swimming pool and golf course access. Revenue from entrance fees is deposited in General Revenue–Dedicated Account No. 64 and is used to partially fund state park operations and capital improvements. Funding for the State Park Operations program totals \$151.6 million in All Funds, an increase of \$8.7 million, or 6.1 percent, compared to 2020–21 biennial spending levels, and provides 1,079.8

**FIGURE 287**  
**STATE PARK REVENUE AND VISITS**  
**FISCAL YEARS 2015 TO 2021**



SOURCE: Parks and Wildlife Department.

FTE positions. The increase is due primarily to an additional \$17.5 million in SGST appropriations, partially offset by a decrease of \$2.4 million in General Revenue–Dedicated Funds from Account No. 64 in anticipation of increased SGST and by the removal of \$3.1 million in Other Funds from Appropriated Receipts and \$2.8 million in Federal Funds to represent the collections projected by the agency.

The State Parks Visitor Services program provides interpretive services to explain the meaning and significance of natural and cultural resources at parks, historic sites, and natural areas, as well as certain administrative functions. Interpretive services include guided tours and camping workshops. Administrative functions include operating the reservation center, managing concessions and concessionaires, sales, managing exhibit shops, and community outreach. Funding for this program totals \$10.1 million in All Funds, an increase of \$1.2 million, or 14.0 percent, compared to 2020–21 biennial spending levels, and provides 59.0 FTE positions.

The Parks Minor Repair program provides for routine and preventive maintenance of facilities at state parks. These maintenance projects are intended to keep state parks functioning in a clean, safe manner and reduce the need for major repairs. Appropriations for the program total \$14.2 million in All Funds, an increase of \$3.1 million, or 28.4 percent, compared to 2020–21 biennial spending levels and provide 14.0 FTE positions.

The Parks Support program provides management of the function and programs in the State Parks Division, including direct support for state park operations, visitor services, and

public safety. These functions include management of natural and cultural resources, interpretive services, management of exhibits, management of state parks law enforcement officers, and management of business activities such as visitor reservations and entrance fee collection. Funding for the program totals \$13.1 million in All Funds, an increase of \$0.7 million, or 5.8 percent, compared to 2020–21 biennial spending levels, and provides 74.0 FTE positions.

The Texas Farm and Ranchlands program was transferred from the General Land Office to TPWD by the Eighty-fourth Legislature, 2015. It provides pass-through grants for qualified easement holders to acquire conservation easements for long-term protection of privately owned working lands that have high values for water, fish, wildlife and agriculture production and that are at risk for development. Funding for the program totals \$2.0 million in General Revenue Funds and 1.0 FTE position, which continues 2020–21 biennial spending levels.

#### **LOCAL PARK, BOATING, AND RECREATION GRANTS**

Through the Recreation Grants Assistance program, TPWD provides grants to local units of government and other entities to expand outdoor recreation opportunities and enjoyment of natural and cultural resources managed by local governments or private organizations. The agency typically provides 50.0 percent matching grants to local governments and other entities, or direct assistance grants to provide the requisite matching funds to qualify for grants from the federal government or other sources. Although most projects are selected through competition, projects specified by the Legislature include \$5.5 million in General Revenue Funds for grants to several local units of government for construction, renovation, and development of local park facilities. Program funding totals \$67.3 million in All Funds, of which \$43.7 million is for local parks grants and \$23.6 million is for boating access and other grants, and provides 22.0 FTE positions. The total represents a decrease of \$37.3 million, or 35.7 percent, compared to 2020–21 biennial spending levels, primarily due to a decrease in Federal Funds to represent agency collection projections partially offset by an increase in SGST revenue.

Funding for the state parks and grants program area totals \$258.3 million in All Funds, a decrease of \$23.5 million, or 8.4 percent, from the 2020–21 biennial spending level, and provides 1,249.8 FTE positions. Not included in these funding totals are \$43.0 million in Federal Funds provided pursuant to Senate Bill 8, Eighty-seventh Legislature, Third

Called Session, 2021, including \$40.0 million for education and outreach grants and \$3.0 million for the Texas State Aquarium Center.

#### **CAPITAL IMPROVEMENTS**

The capital improvements program area includes three programs related to capital construction and maintenance, land acquisition, and debt service.

The Capital Construction and Project Delivery program carries out capital improvements and major repairs to agency facilities and sites throughout the state. The program includes architectural design, engineering design, project management, a memorandum of understanding agreement between TPWD and the Texas Department of Transportation, and other related activities. TPWD is responsible for maintaining and developing more than 144 different locations throughout the state. Program funding totals \$131.5 million in All Funds, a decrease of \$12.4 million, or 8.6 percent, and provides 90.0 FTE positions. The decrease is due primarily to decreases of \$12.5 million in General Revenue Funds related to construction at Palo Pinto State Park; \$12.9 million in Other Funds from the Economic Stabilization Fund provided by Senate Bill 500, Eighty-sixth Legislature, 2019; \$9.0 million in Other Funds from anticipated Appropriated Receipts; \$5.8 million in Federal Funds; and \$5.0 million in Other Funds from General Obligation Bond Proceeds. These decreases are offset partially by increases of \$2.5 million in SGST, \$21.1 million in General Revenue–Dedicated Funds from Account No. 64, and \$8.0 million in General Revenue–Dedicated Funds from Account No. 9. The Land Conservation program carries out capital budget authority for acquisition of land and other real property. Funding for the program totals \$7.8 million in All Funds, a decrease of \$6.6 million, or 45.9 percent, compared to 2020–21 biennial spending levels, and provides 5.0 FTE positions. The decrease is due primarily to decreases of \$4.9 million in Federal Funds and \$8.9 million in Other Funds from Appropriated Receipts that are no longer anticipated to be available, partially offset by an increase of \$7.0 million in SGST revenue.

The Debt Service program manages debt-service requirements related to revenue bonds issued for infrastructure improvements and maintenance. Appropriations for General Obligation bond debt service for TPWD are provided in the Texas Public Finance Authority's budget. As of the 2022–23 biennium, TPWD has satisfied its debt service requirements, and no funds are appropriated for the program.

The capital improvements program area's funding totals \$139.3 million, a decrease of \$19.8 million, or 12.4 percent, compared to 2020–21 biennial spending levels, and provides 95.0 FTE positions.

### **CONSERVATION AND LICENSING**

The conservation and licensing program area includes the 12 programs associated with the agency's Wildlife Division, including protection and management of game and nongame animal species, freshwater and saltwater aquatic life habitats, and hunting and fishing activities. The program area also includes functions related to the sale of hunting and fishing licenses and boat registration.

#### **GAME AND WILDLIFE CONSERVATION**

The Wildlife Conservation program provides for the regulation and management of game species, nongame species, and protection of endangered, threatened, and rare species. The program is responsible for the management and operation of wildlife management areas established to perform research on wildlife populations and habitat, provide education on resource management, and provide outdoor recreation opportunities to the public. Texas has 48 wildlife management areas representing most ecological regions of the state. The program also conducts wildlife and harvest surveys, facilitates collaboration with universities to conduct research, issues permits to take and hold captive wildlife, develops wetlands and other habitats, and assesses the effects of human activities on wildlife. Program appropriations total \$69.4 million in All Funds, a decrease of \$43.9 million, or 38.7 percent, compared to 2020–21 biennial spending levels, primarily related to reductions of \$38.9 million in Federal Funds and \$3.1 million in Other Funds from Appropriated Receipts to represent agency-projected collections. Appropriations provide for 225.0 FTE positions.

The Technical Guidance program provides assistance and information to private landowners and the public regarding programs such as the Private Lands and Public Hunting program and the Managed Lands Deer Program (MLDP). The Private Lands and Public Hunting program supports landowners engaging in voluntary habitat conservation practices through a written wildlife management plan. The MLDP supports sound management and stewardship of native wildlife and wildlife habitats on private lands. Landowners enrolled in either the MLDP Harvest Option or Conservation Option are able to take advantage of extended

season lengths and liberalized harvest opportunities. Additionally, the Technical Guidance program provides certain cost-share assistance, primarily utilizing federal funding, through the Landowner Incentive Program. According to the agency, more than 8,500 landowners operating almost 33.0 million acres in the state have received these services through the Technical Guidance program at TPWD. Appropriations for the Technical Guidance program total \$20.5 million in All Funds, a decrease of \$2.4 million, or 10.3 percent, compared to 2020–21 biennial spending levels, and provide 63.0 FTE positions.

The Hunting and Wildlife Recreation program is responsible for enhancing hunting and other recreation opportunities. The program manages public hunting permits to enable walk-in hunting on TPWD-owned and TPWD-leased land, public hunting drawings for limited numbers of supervised or guided hunting opportunities on certain state-owned land or state-leased private property, youth hunting programs, and wildlife and paddling trails. Funding for the program totals \$4.6 million in All Funds, a decrease of \$1.2 million, or 20.2 percent, compared to 2020–21 biennial spending levels, and provides 14.0 FTE positions.

#### **AQUATIC CONSERVATION**

The Coastal Fisheries Resource Management program provides oversight and support to the Coastal Fisheries Division. The program includes three field offices that monitor and assess marine life populations and environmental conditions. Funding for the program totals \$15.6 million in All Funds, a decrease of \$10.8 million, or 40.8 percent, compared to 2020–21 biennial spending levels, and provides 87.0 FTE positions. The funding decrease is attributed primarily to an agency-projected decrease of \$9.5 million in Federal Funds.

The Coastal Fisheries Science and Policy Resources program includes research and assessment programs, such as species population health, investigation of pollution and fish-kill incidents, implementation of habitat restoration projects, and management of invasive plant and animal species. Funding for this program totals \$9.0 million in All Funds, a decrease of \$9.6 million, or 51.5 percent, compared to 2020–21 biennial spending levels, and provides 61.0 FTE positions. The funding decrease is attributed primarily to an agency-projected decrease of \$9.5 million in Federal Funds.

The Coastal Hatcheries Operations program stocks fish in coastal waters for recreational fishing. Three saltwater

hatcheries raise and release juvenile red drum and spotted speckled trout, in addition to conducting research on fish genetics, marine habitats, and the effects of stocking on wild populations. Funding for Coastal Hatcheries Operations totals \$7.4 million in All Funds, which continues 2020–21 biennial spending levels and provides 39.0 FTE positions.

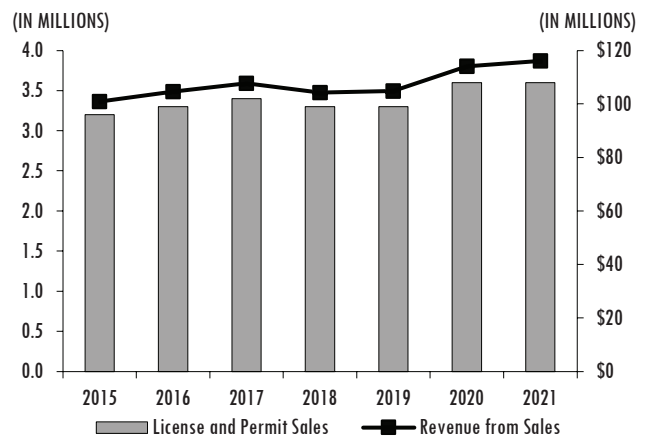
The Freshwater Fisheries Conservation program provides management and oversight of the Inland Fisheries Division. This division conducts surveys of fish populations, habitats, and anglers to determine status and needs of the state’s freshwater fisheries resources. Appropriations for the program total \$15.7 million in All Funds, a decrease of \$7.8 million, or 33.2 percent, compared to 2020–21 biennial spending levels, primarily related to a decrease of \$5.9 million in Federal Funds to represent agency-projected collections and provide 92.1 FTE positions.

The Inland Habitat Conservation program develops and implements conservation plans for 185 species of freshwater fishes, conducts fish habitat restoration projects, consults with other agencies regarding regulatory actions affecting fish habitats, and improves river access for anglers and paddlers. Other functions include pollution response and restoration, stream-flow studies, implementation of species recovery plans, and permitting for the sale of marl, sand, gravel, and shells taken from Texas bodies of water. Appropriations for Inland Habitat Conservation total \$7.9 million in All Funds, a decrease of \$2.8 million, or 26.0 percent, compared to 2020–21 biennial spending levels, and provide 23.2 FTE positions.

The Aquatic Vegetation and Invasive Species Management program manages aquatic vegetation to maintain boat lanes and general access to outdoor recreational activities in freshwater bodies across the state. This program also manages efforts to contain aquatic invasive species such as giant salvinia, hydrilla, and zebra mussels. Funding for this program totals \$7.5 million in All Funds, which continues 2020–21 biennial spending levels and provides 9.7 FTE positions.

The Inland Hatcheries Operations program provides stocked fish for freshwater fisheries. The program operates five hatcheries, producing various species of sportfish, conducting aquaculture research, and performing public outreach and education. Funding for the Inland Hatcheries Operations program totals \$14.3 million in All Funds, a decrease of \$0.5 million, or 3.5 percent, from 2020–21 biennial spending levels, and provides 75.0 FTE positions.

**FIGURE 288**  
**HUNTING AND FISHING LICENSE SALES**  
**FISCAL YEARS 2015 TO 2021**



SOURCE: Parks and Wildlife Department.

The Artificial Reef program oversees the development and maintenance of artificial reefs off the Texas coast and evaluates the use of artificial reefs by marine species and humans. The program repurposes structures such as boats, oil rig platforms, deconstructed bridges, and other items to assemble the reefs. Funding for the program totals \$0.8 million, a decrease of \$12.2 million, or 93.6 percent, from 2020–21 biennial spending levels, and provides 3.0 FTE positions. The program is funded by Other Funds from Appropriated Receipts, and the decrease is attributable to the agency’s collection projections for the 2022–23 biennium.

**LICENSING AND REGISTRATION**

The License and Boat Revenue program oversees the sale of recreational and commercial hunting and fishing licenses and boat registration and titling. Hunting and fishing licenses can be purchased in person from a licensing agent or TPWD office, through a mail-in application, by telephone, or online. Boat registration and titling can be conducted in person at TPWD’s 29 law enforcement offices, including TPWD headquarters, and participating county tax assessor–collectors or through a mail-in application; registration renewals must be completed online. **Figure 288** shows actual hunting and fishing license sales and revenue from fiscal years 2015 to 2021. Revenue from license sales and titling is deposited in the General Revenue–Dedicated Account No. 9 and is used for various conservation and law enforcement purposes. The use of collected revenues is limited depending on the specific revenue source; for example, revenue from the migratory

game bird stamp, a federally required licensing tool, can be appropriated only for purposes related to management and research of migratory game birds and their habitats. Appropriations for this program total \$18.6 million in All Funds, a decrease of \$1.1 million, or 5.8 percent, compared to 2020–21 biennial spending levels, and provide 30.0 FTE positions.

Appropriations for the conservation and licensing program area total \$191.6 million in All Funds, a decrease of \$92.2 million, or 32.5 percent, compared to 2020–21 biennial spending levels, and provide 722.0 FTE positions.

### **LAW ENFORCEMENT**

The program area for law enforcement includes four programs that provide for the operation, training, and support of game wardens and park police officers throughout the state, including those dedicated to the Texas–Mexico border region for border security efforts.

Enforcement programs enforce the state’s game, fish, and water safety laws through public education, crime prevention, and apprehension of offenders. TPWD maintains 29 law enforcement offices throughout the state that support 549.0 FTE positions for game wardens. These offices provide services to the public such as sale of licenses, boat registration and titling, and education. In addition to general law enforcement, the program provides activities related to disaster response and homeland security. For the 2022–23 biennium, 90 game wardens will be assigned to conduct law enforcement activities in border counties, including those sharing a land border with Mexico and counties on the Gulf Coast, and an additional 49 game wardens are dedicated to the area for enhanced border security activities. Appropriations for enforcement programs total \$125.5 million in All Funds, a decrease of \$14.9 million, or 10.6 percent, compared to 2020–21 biennial spending levels, and provide 595.0 FTE positions. The decrease is due primarily to the following decreases: \$16.5 million in General Revenue–Dedicated Funds from Account No. 9, including \$6.5 million for a law enforcement helicopter and \$10.0 million for vehicles that were funded in fiscal year 2021 in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; \$7.3 million in Federal Funds projected by the agency to be available; and \$1.8 million in General Revenue Funds from the Unclaimed Refunds of Motorboat Fuel Tax. These decreases are offset partially by an increase of \$10.1 million in General Revenue Funds for law enforcement officer salaries.

The Game Warden Training program administers and operates the Texas Game Warden Training Center to train new game warden cadets and prepare them for the peace officer licensing exam. Beginning in fiscal year 2015, new park police officers also began training through this program. The training center offers continuing education training to game wardens and training to outside law enforcement entities. Appropriations for the program total \$5.1 million in All Funds, a decrease of \$0.2 million, or 4.0 percent, compared to 2020–21 biennial spending levels, and provide for 32.0 FTE positions.

The State Park – Law Enforcement – Public Safety program provides law enforcement and public safety services to state parks. This program includes park police officers dedicated to law enforcement full-time, but it does not include commissioned park superintendents and managerial staff for whom law enforcement activities are only one component of their duties. Park police officers are distinct from the game wardens in the law enforcement program area, although they also are trained at the Game Warden Academy. Appropriations for the program total \$20.3 million in All Funds, an increase of \$5.6 million, or 37.6 percent, compared to 2020–21 biennial spending levels, and provide 127.0 FTE positions. This increase is due to increased SGST projected to be available in the 2022–23 biennium.

The Law Enforcement Support program provides management of the Law Enforcement Division, including administrative functions such as budgeting, coordination, implementation of policies and procedures, and oversight. Major oversight areas include wildlife enforcement, fisheries enforcement, and marine safety enforcement. Funding for the program totals \$6.6 million in All Funds, an increase of \$0.5 million, or 9.0 percent, compared to 2020–21 biennial spending levels, and provides 26.0 FTE positions.

Funding for the law enforcement program area totals \$157.5 million in All Funds, a decrease of \$9.0 million, or 5.4 percent, compared to 2020–21 biennial spending levels, and provides 780.0 FTE positions. **Figure 289** shows salaries for game warden and park police FTE positions from fiscal years 2016 to 2023.

### **ADMINISTRATION AND OTHER PROGRAMS**

The administration and other programs area includes three programs related to the Administrative Resources, Communications, Human Resources, Information Technology (IT), and Legal divisions, and the noncapital



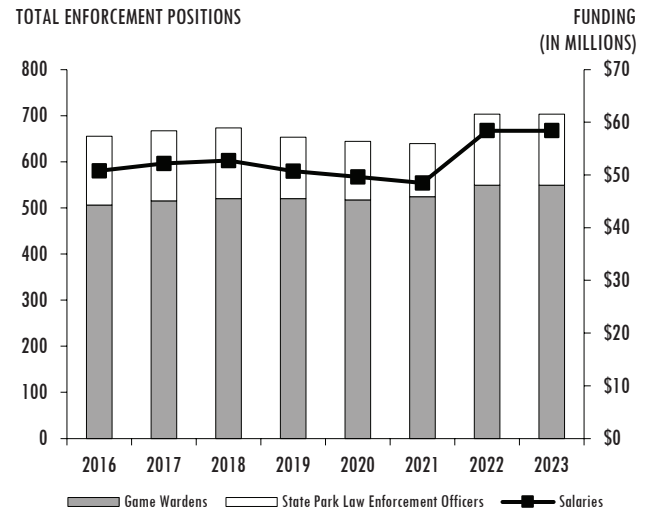
functions of the Infrastructure Division. This program area provides statewide administrative support to TPWD and mass communication to the public or targeted constituencies.

The IT, Accounting Control, and Agency Services program provides the agency’s primary administration and management. The executive office coordinates activities related to the Parks and Wildlife Commission and outside entities, such as the Legislature and the Texas Parks and Wildlife Foundation. The program implements IT solutions to support the agency’s functions, including customer service applications. Other functions performed by the program include financial and accounting services, human resources, legal services, warehouse management, purchasing and contracting, management of the Historically Underutilized Businesses program, headquarters complex facility management, risk management, and agencywide records management. Appropriations for the program total \$57.6 million in All Funds, a decrease of \$1.3 million, or 2.2 percent, compared to 2020–21 biennial spending levels, and provide 246.1 FTE positions.

The Communication Products and Services program includes production and publication of TPWD media, including *Texas Parks and Wildlife Magazine*, the *Texas Parks and Wildlife* television program, the *Under the Sky* podcast, video news reports, news releases, marketing, website development, social media, and creative and interactive services. Appropriations for the program total \$10.7 million in All Funds, a decrease of \$1.4 million, or 11.3 percent, compared to 2020–21 biennial spending levels, and provide 42.0 FTE positions.

The Outreach and Education program provides education to hunters, boaters, and other water users to be safe, knowledgeable, and responsible while pursuing outdoor recreation activities. Education and outreach programs also aim to encourage the development of new outdoor recreation enthusiasts. The program includes the hunter education and boater education programs required of all participants of a certain age to hunt or boat legally in the state. Other functions include outdoor skills workshops, outreach events, and programs that utilize trained volunteers to provide education regarding conservation and outdoor recreation. Appropriations for the program total \$6.0 million in All Funds, a decrease of \$2.8 million, or 31.7 percent, compared to 2020–21 biennial spending levels, and provide 26.0 FTE positions. The decrease includes a \$2.6 million decrease in Federal

**FIGURE 289**  
**PARKS AND WILDLIFE DEPARTMENT FUNDING**  
**FOR GAME WARDEN AND PARK POLICE**  
**FULL-TIME-EQUIVALENT POSITIONS**  
**FISCAL YEARS 2016 TO 2023**



SOURCE: Parks and Wildlife Department.

Funds and no funding from Appropriated Receipts for the 2022–23 biennium.

Appropriations for administration and other programs areas total \$74.3 million in All Funds, a decrease of \$5.4 million, or 6.8 percent, compared to 2020–21 biennial spending levels, and provide 314.1 FTE positions.

## RAILROAD COMMISSION OF TEXAS

**PURPOSE:** To regulate the state’s oil and natural gas industries, with responsibilities for permitting, monitoring, and inspecting facilities. The agency works to ensure the safe production and transportation of the state’s energy resources, while protecting public health and the environment. The agency also works to ensure fair pricing through its oversight of gas utilities rates.

**ESTABLISHED:** 1891

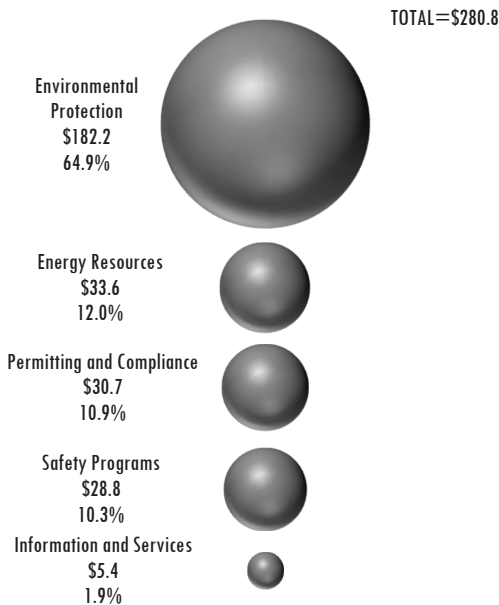
**AUTHORIZING STATUTE:** The Texas Constitution, Articles X and XVI; the Texas Natural Resources Code

**GOVERNANCE:** Three statewide-elected officials

**FIGURE 290**  
**RAILROAD COMMISSION OF TEXAS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$112.4	\$145.0	\$32.6	29.0%	<b>2022</b> 1,007.6  <b>2023</b> 1,010.6
General Revenue–Dedicated Funds	\$162.2	\$119.0	(\$43.2)	(26.6%)	
Federal Funds	\$13.5	\$13.7	\$0.2	1.6%	
Other Funds	\$33.1	\$3.1	(\$30.0)	(90.7%)	
<b>Total, All Methods of Finance</b>	<b>\$321.1</b>	<b>\$280.8</b>	<b>(\$40.3)</b>	<b>(12.6%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations provide **\$119.0 million** in General Revenue–Dedicated Funds from Account No. 5155, Oil and Gas Regulation and Cleanup, which constitutes **all estimated revenue and balances from the account**.

Appropriations provide **\$112.1 million** in **All Funds** including **\$63.1 million** in **General Revenue–Dedicated Funds** from Account No. 5155 and **\$48.7 million** in **General Revenue Funds** for oil and gas well plugging and remediation.

Appropriations provide **\$30.7 million** in **General Revenue Funds** and an additional **130.0 full-time-equivalent positions** to identify and inspect critical energy infrastructure for **weather preparedness** and to establish **best practices to maintain service in extreme weather events** pursuant to **Senate Bill 3**, Eighty-seventh Legislature, Regular Session, 2021.

**Pipeline safety and inspection** funding totals **\$20.5 million** in **All Funds** for **pipeline safety and inspections** to ensure that all regulated systems are inspected every five years.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Appropriations for the Railroad Commission (RRC) total \$280.8 million in All Funds, a decrease of \$40.3 million, or 12.6 percent, from 2020–21 biennial spending levels and provide for 1,007.6 full-time-equivalent (FTE) positions in fiscal year 2022 and 1,010.6 positions in fiscal year 2023. The decrease is due to a net decrease of \$43.2 million in General Revenue–Dedicated Funds from Account No. 5155, Oil and Gas Regulation and Cleanup (Account No. 5155), attributable to a projected decrease in revenue related to an anticipated downturn in industry activity and onetime funding for the agency’s Mainframe Transformation Information Technology – Phase II in the 2020–21 biennium. Appropriations also include a decrease of \$30.2 million in Other Funds from the Economic Stabilization Fund (ESF) for oil and gas well plugging and site remediation. The decreases are offset partially by an increase of \$32.6 million in General Revenue Funds and \$0.4 million in Other Funds from the Anthropogenic Carbon Dioxide Storage Trust Fund No. 827.

General Revenue–Dedicated Funds appropriations consist entirely of funding from Account No. 5155, which is used to pay costs related to regulating and monitoring the oil and gas industry, plugging abandoned wells, and cleaning up oil and gas sites. Revenue deposited to this account primarily includes production-related taxes and permitting fees paid by the oil and gas industry. Two such fees deposited to the credit of the account are: (1) a pumping fee of five-eighths of \$0.01 per barrel produced; and (2) a surcharge of no more than 185.0 percent of the original pumping fee. The account experiences revenue declines when there is a downturn in industry activity, which can result in revenue not being available to support appropriations. Agency appropriations from Account No. 5155 are estimated and include any revenue collections greater than amounts indicated in the Comptroller of Public Accounts’ Biennial Revenue Estimate (BRE). However, not all balances in Account No. 5155 are available for the agency to spend. For example, an estimated \$11.8 million is required each fiscal year for employee benefits, which are paid through appropriations to the Employees Retirement System of Texas, and certain financial securities paid by oil and gas well operators related to specific well plugging insurance policies are also held in escrow in the account.

General Revenue Funds and General Revenue–Dedicated Funds appropriated to the agency decreased by \$10.6 million, or 3.9 percent, from the 2020–21 biennial spending level, primarily due to the following changes:

- an increase of \$30.7 million in General Revenue Funds pursuant to Senate Bill 3, Eighty-seventh Legislature, Regular Session, 2021, to provide 130.0 FTE positions for the agency to analyze, identify, and inspect critical gas supply chain infrastructure for weather preparedness and establish best practices to prepare natural gas facilities to maintain service in extreme weather events;
- an increase of \$1.8 million in General Revenue Funds pursuant to House Bill 1520, Eighty-seventh Legislature, Regular Session, 2021, to provide 7.0 FTE positions to enable the agency to issue a maximum of \$10.0 billion in customer rate relief bonds whose proceeds would be used to offset extraordinary costs incurred by gas utilities during a natural or man-made disaster, system failure, or other catastrophic event that otherwise would be passed to the customer;
- onetime funding totaling \$21.5 million for the agency’s Mainframe Transformation IT Project – Phase II, including \$16.9 million in General Revenue–Dedicated Funds from Account No. 5155 and \$4.6 million in General Revenue Funds, was removed from 2022–23 biennial appropriations and reallocated to fiscal year 2021 appropriations in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021. Although these funds are not reappropriated beginning in fiscal year 2022, expenditures from the fiscal year 2021 appropriation will continue through the 2022–23 biennium; and
- a decrease of \$9.3 million in General Revenue–Dedicated Funds from Account No. 5155 due to anticipated revenue reductions included in the BRE, offset by an increase in General Revenue Funds for the agency’s operational stability.

Federal Funds for the RRC increased by \$0.2 million, or 1.6 percent, which is similar to 2020–21 biennial spending levels.

Other Funds for the agency decreased by \$30.0 million, or 90.7 percent, compared to 2020–21 biennial spending levels, due primarily to the removal of \$30.2 million from the ESF for oil and gas well plugging and remediation initially provided during the 2018–19 biennium and carried forward into the 2020–21 biennium. Additionally, appropriations include a decrease of \$0.2 million in Other Funds from Appropriated Receipts based on agency

estimates. The decreases are offset by an increase of \$0.4 million from the Anthropogenic Carbon Dioxide Storage Trust Account No. 827 due to the enactment of House Bill 1284, Eighty-seventh Legislature, Regular Session, 2021, which granted the agency jurisdiction over carbon dioxide repositories, including rule making authority and the ability to assess civil, administrative, and criminal penalties.

## PROGRAMS

The RRC regulates the state's oil and natural gas industries with activities organized in four major program areas: (1) environmental protection; (2) energy resources; (3) safety programs; and (4) information and services.

### ENVIRONMENTAL PROTECTION

Appropriations for the environmental protection program area are used to ensure that Texas' fossil fuel energy production, storage, and delivery occurs in a manner that minimizes harmful effects on the state's environment and preserves natural resources. The agency accomplishes this goal through monitoring and inspections and through remediation, reclamation, and plugging of oil and gas wells. The agency also works to ensure that natural gas utility rates promote a safe and efficient supply of natural gas. RRC addresses these responsibilities through the following activities:

- promulgating rules for regulated industries;
- registering organizations;
- maintaining financial assurance of operators;
- requiring and maintaining certain filings by operators;
- granting permits and licenses;
- monitoring performance and inspecting facilities;
- maintaining records and maps;
- reviewing variance requests;
- investigating complaints and responding to emergencies; and
- plugging abandoned or orphaned oil and gas wells and cleaning up associated facilities and pollution sites.

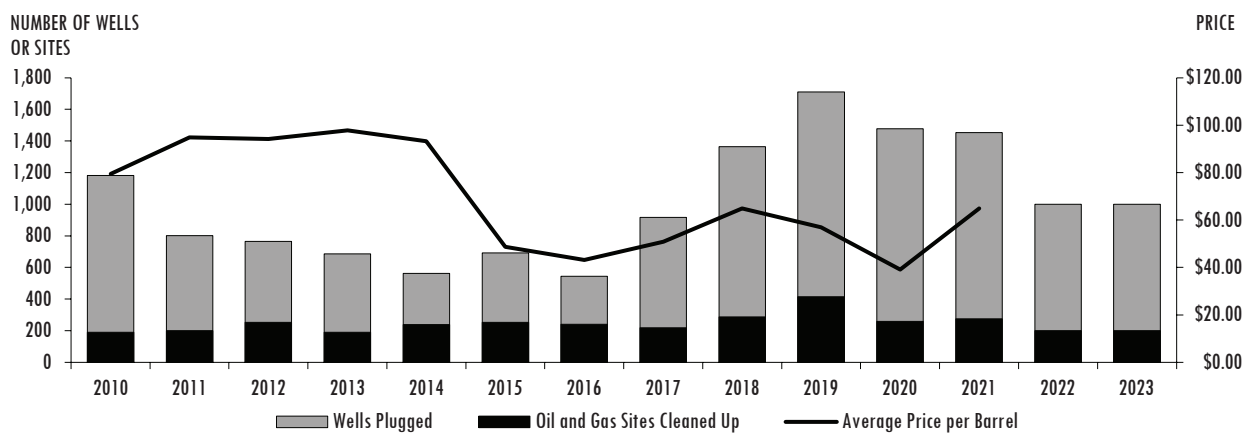
The Oil and Gas Monitoring and Inspections program includes nine district offices across the state charged with overseeing oil and gas operations and enforcing

environmental and safety rules. Field inspectors visited 308,922 oil and gas wells and other related facilities during fiscal year 2021 to enforce agency environmental and safety rules. Producers filed 104,175 permit applications during fiscal year 2021. Appropriations total \$51.0 million in All Funds, a decrease of \$17.9 million, or 25.9 percent, compared to 2020–21 biennial spending levels, and provide for 281.9 FTE positions. The decrease is due to the distribution of General Revenue–Dedicated Funds from Account No. 5155 to other programs in the 2022–23 biennium and a decrease of \$6.4 million related to the Mainframe Transformation IT Project – Phase 2 funded in the 2020–21 biennium. The agency anticipates inspecting 345,000 wells and facilities and processing more than 110,000 permits during each fiscal year of the 2022–23 biennium.

The Oil and Gas Well Plugging program plugs abandoned oil and gas wells that cause or threaten to cause pollution when a responsible operator either does not exist or fails to take the action necessary to prevent pollution. The agency plugged 2,930 abandoned wells with the use of state funds in the 2020–21 biennium and identified approximately 7,436 unplugged and orphaned wells in noncompliance as of October 2021. If an operator abandons its well or wells, RRC initiates enforcement actions to sever all the operator's leases, including collection actions on the operator's financial security. Many operators remain out of compliance with agency enforcement actions, and those cases are referred to the Office of the Attorney General for further enforcement action, resulting in RRC's plugging of the operator's abandoned wells. The agency uses a priority rating system to determine which wells should be plugged first. The rating system includes four categories and 26 rated factors of human health, safety, environment, and wildlife to determine which wells pose the greatest risk to public safety and the environment. Program appropriations total \$76.8 million in All Funds, a decrease of \$32.5 million, or 29.7 percent, from 2020–21 biennial spending levels, and provide for 95.4 FTE positions. The decrease is due primarily to the unavailability of \$30.2 million in Other Funds from the ESF for oil and gas well plugging and site remediation provided to the agency in the 2018–19 biennium and carried forward into the 2020–21 biennium.

The Oil and Gas Site Remediation program utilizes state funds to coordinate with district offices for the cleanup of pollution at abandoned oil and gas sites. These site cleanups

**FIGURE 291**  
**WELLS PLUGGED AND OIL AND GAS SITES CLEANED UP USING STATE FUNDS, FISCAL YEARS 2010 TO 2023**



NOTES:

- (1) Amounts for fiscal years 2022 and 2023 are estimated.
- (2) The Average Price per Barrel is the West Texas Intermediate crude oil price per barrel.

SOURCE: Railroad Commission.

can range from simple tank-battery cleanups requiring less than one day to complete to more complex cleanups requiring several years to properly evaluate, design, procure, and ultimately complete. During the 2020–21 biennium, the agency completed 533 cleanup activities. Appropriations for the program total \$33.4 million in All Funds, a decrease of \$1.1 million, or 3.2 percent, compared to 2020–21 biennial spending levels, and provide for 35.1 FTE positions.

**Figure 291** shows the number of wells plugged and the number of polluted oil and gas sites cleaned up using state funds from fiscal years 2010 to 2021, with projected performance for the 2022–23 biennium. The number of wells plugged decreased overall from fiscal years 2011 to 2016 due to RRC’s ongoing focus on several longer-term and complex cleanup and assessment activities. The agency also prioritized plugging offshore wells during this period, which, at an average cost of \$1.0 million per well, is more costly than plugging land wells. The number of wells plugged started to rise in fiscal year 2017 and increased further in fiscal year 2018 after the agency was appropriated \$30.2 million in Other Funds from the ESF in the 2018–19 biennium for well plugging and site remediation. The agency projects that it will plug 1,000 wells during each fiscal year of the 2022–23 biennium using state funds.

The Operator Cleanup Assistance program oversees cleanups performed by the regulated community, which primarily consists of responsible party operators. Program appropriations total \$1.5 million in All Funds, which

maintains 2020–21 biennial spending levels, and provides for 7.6 FTE positions.

The Brownfields Response Program encourages redevelopment of abandoned oil and gas sites by providing technical and financial support for remediation and redevelopment efforts to governmental entities and other participants that did not cause or contribute to the contamination. Funding for the program totals \$0.4 million in All Funds for the 2022–23 biennium, which maintains 2020–21 biennial spending levels and provides for 1.5 FTE positions.

Through the Surface Mining and Reclamation program, the agency regulates surface mining of coal and lignite, mining of iron ore, uranium exploration, and the reclamation of abandoned mine lands. The program’s purpose is to reclaim and restore land and water resources and to protect the public from the adverse effects of mining practices in the state. Reclamation of abandoned surface mines typically consists of earthwork burial or treatment of unsuitable soil, typically acidic or radioactive soil; installation of erosion-control and water-control structures; and revegetation. Dangerous abandoned underground mine openings typically are closed by backfilling, or capping with concrete or metal grating. The agency oversees contractors hired to perform these services. Funding for the program totals \$4.2 million in All Funds, an increase of \$0.5 million, or 12.8 percent, compared to 2020–21 biennial spending levels, and provides for 6.8 FTE positions.

Other mining programs include the Coal/Uranium Mining Applications and Permits program and the Coal Mining Inspection and Enforcement program. The Coal/Uranium Mining Applications and Permits program is appropriated \$4.3 million in All Funds, a decrease of \$0.4 million, or 8.6 percent, compared to 2020–21 biennial spending levels, and provides for 25.4 FTE positions to process applications and permits. The Coal Mining Inspection and Enforcement Program is appropriated \$3.0 million in All Funds, which maintains 2020–21 biennial spending levels, and provides for 16.9 positions to conduct unannounced inspections of permitted sites and to assess penalties for violations.

Appropriations for the Gas Utility Market Oversight program total \$4.2 million in All Funds, an increase of \$1.8 million, or 78.8 percent, from 2020–21 biennial spending levels, and provide 26.2 FTE positions for the regulation of gas utilities. The Gas Utility Audit program funds audits of utilities to ensure that the proper gas utility tax is paid, and monitors rates charged to customers for natural gas and services. Program appropriations total \$3.5 million in All Funds, which is similar to 2020–21 biennial spending levels and provide for 12.8 positions.

Funding for the environmental protection program area totals \$182.2 million in All Funds, a decrease of \$49.6 million, or 21.4 percent, from 2020–21 biennial spending levels and provides for 509.6 FTE positions during each fiscal year of the 2022–23 biennium.

### **ENERGY RESOURCES**

Appropriations for the energy resources program area support the development, management, and use of Texas oil and gas energy resources, which protects correlative rights (legal rights protecting property of a portion of a gas or oil reservoir from excessive or wasteful withdrawal); equal and fair energy access to all entities throughout the state; and the inspection of critical gas supply chain infrastructure for emergency and weather preparedness.

Administrative Compliance program appropriations total \$11.8 million in All Funds, a decrease of \$12.6 million, or 51.7 percent, compared to 2020–21 biennial spending levels, and support 84.9 FTE positions and agency activities, which include registering energy producers and monitoring well production and completions. RRC provides drilling permits and assigns production limits on oil and gas wells and performs audits to ensure that production remains within those limits. The program also provides geographic information system (GIS) and well-mapping services

to track and maintain data related to wells, pipelines, and other oil and gas infrastructure. GIS data is used extensively for planning, tracking, enforcement, and environmental assessment activities and is crucial information during a disaster.

Texas had 166,529 oil wells and 84,668 gas wells in production as of January 2021. Production allowables, which are amounts producers are permitted to extract from wells during a given year, are assigned according to factors such as tested well capability, reservoir mechanics, market demand for production, and past production.

Technical Permitting program activities include the issuance of drilling permits based on established spacing and density rules and in a manner to protect the public from surface storage of disposal of drilling waste by-product. Permitting programs include drilling application processing, management of wastes and protection of the public from surface storage or disposal, disposal and enhancement recovery wells, and underground hydrocarbon storage and brine mining. Program appropriations total \$13.7 million in All Funds, a decrease of \$7.6 million, or 35.5 percent, from 2020–21 biennial spending levels, and provides for 69.3 FTE positions in fiscal year 2022 and 72.3 positions in fiscal year 2023.

The Groundwater Advisory Unit Program is appropriated \$5.7 million in All Funds, a decrease of \$0.3 million, or 5.3 percent, compared to 2020–21 biennial spending levels, which provides for 20.7 FTE positions to review geological data that shows the presence and depth of usable-quality water that must be protected from oil and gas operations.

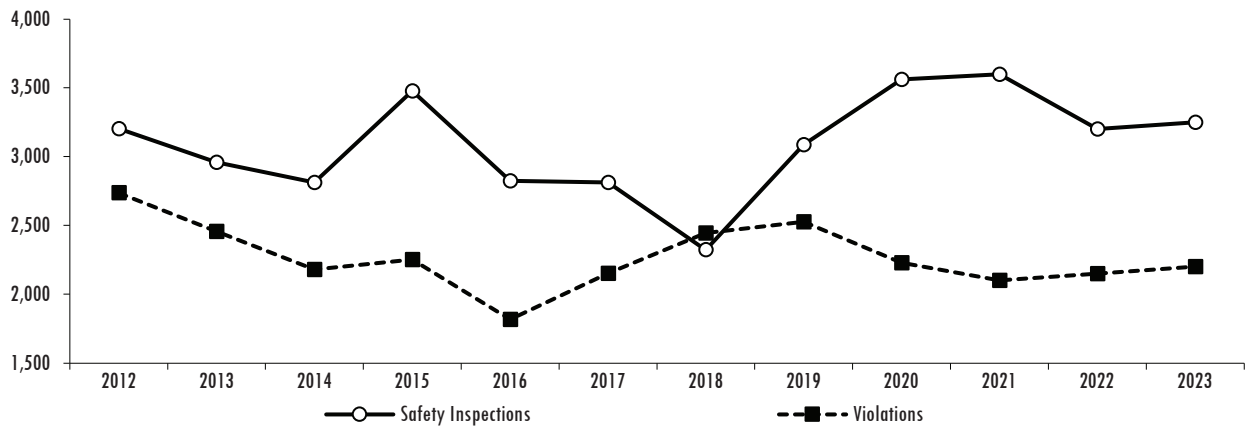
The Alternative Fuels Training program provides education, qualifications, and recertification to individuals that handle liquefied petroleum gas (LPG) to ensure safety and compliance with existing law and regulations. Program appropriations total \$2.5 million in Other Funds from Appropriated Receipts, which is similar to 2020–21 biennial spending levels and provides for 10.3 FTE positions.

Funding for the energy resources program area totals \$33.6 million in All Funds, a decrease of \$20.5 million, or 22.5 percent, from 2020–21 biennial spending levels and provides 185.2 FTE positions during fiscal year 2022 and 188.2 positions in fiscal year 2023.

### **PERMITTING AND COMPLIANCE**

Appropriations for the permitting and compliance program area include funding for the Weather Preparedness program

**FIGURE 292**  
**RAILROAD COMMISSION PIPELINE SAFETY INSPECTIONS AND VIOLATIONS**  
**FISCAL YEARS 2012 TO 2023**



NOTE: Amounts for fiscal years 2022 and 2023 are estimated.  
 SOURCE: Railroad Commission.

only. These appropriations total \$30.7 million in General Revenue Funds, which supports 130.0 FTE positions, to analyze, identify, and inspect critical gas service infrastructure for emergency preparedness and weatherization compliance to help maintain electricity production and distribution in the event of natural or human-caused disasters or other catastrophic events, pursuant to Senate Bill 3, Eighty-seventh Legislature, Regular Session, 2021.

**SAFETY PROGRAMS**

Appropriations to the safety programs area support the promotion and advancement of safety related to pipeline operations and the use of petroleum products through training, monitoring, and enforcement activities.

The Pipeline Safety/Inspections program enforces pipeline operator compliance with federal and state laws and regulates the safety and integrity of intrastate natural gas pipelines, hazardous liquid pipelines, and carbon dioxide pipelines in Texas. The agency issues licenses and permits, conducts field inspections and accident investigations, and responds to emergencies. Appropriations for the program total \$20.5 million in All Funds, a decrease of \$1.3 million, or 6.0 percent, from 2020–21 biennial spending levels, and support 110.2 FTE positions.

The agency is certified by the U.S. Department of Transportation for the enforcement of federal pipeline safety regulations for intrastate pipeline facilities, pursuant to the federal Pipeline Safety Act. **Figure 292** shows the number of safety inspections the agency has performed, and the number

of violations found through those inspections from fiscal years 2012 to 2023.

The Underground Damage Prevention program focuses on compliance and enforcement activities related to the movement of earth near pipelines and provides educational presentations to affected stakeholders statewide to prevent pipeline damage. Program appropriations total \$1.3 million in All Funds, a decrease of \$0.4 million, or 22.5 percent, and provide for 10.3 FTE positions.

The Alternative Fuels Licensing and Regulation program licenses and registers individuals and entities engaged in the LPG, compressed natural gas (CNG), and liquefied natural gas (LNG) industries, including cargo tank motor vehicles. Additionally, the program regulates LPG, CNG, and LNG by promulgating safety rules, conducting inspections, and engaging in enforcement actions. The program is appropriated \$7.0 million in All Funds for the 2022–23 biennium, an increase of \$3.1 million, or 81.8 percent, compared to 2020–21 biennial spending levels, which supports 29.9 FTE positions.

The safety programs area is appropriated \$28.8 million in All Funds, an increase of \$1.5 million, or 5.4 percent, from 2020–21 biennial spending levels, which provides for 150.4 FTE positions.

**INFORMATION AND SERVICES**

The information and services program area works to maximize electronic government transactions and minimize

paper transactions by developing technological enhancements that promote efficient regulatory programs and preserve and increase public access to information through its Public Information and Services program. Program activities include providing the public access to oil and gas records. The program is appropriated \$5.4 million in All Funds, a decrease of \$2.3 million, or 29.8 percent, and provides for 32.4 FTE positions.

## SIGNIFICANT LEGISLATION

**House Bill 1284 – Injection and geologic storage of carbon dioxide.** The legislation transfers enforcement jurisdiction over carbon dioxide repositories from the Texas Commission on Environmental Quality (TCEQ) to RRC upon approval from the U.S. Environmental Protection Agency. RRC is granted rule-making authority and is authorized to impose civil, administrative, and criminal penalties related to the enforcement of the injection and storage of carbon dioxide.

**House Bill 1520 – Customer rate relief bonds.** The legislation allows for the agency to authorize the issuance of up to \$10.0 billion in customer rate relief bonds, whose proceeds would be used to offset extraordinary costs incurred by gas utilities during a natural or human-made disaster, system failure, or other catastrophic event that otherwise would be passed to the customer. The bonds would be issued through the Texas Public Finance Authority on behalf of RRC, which is required to issue a financing order that must include a statement of aggregated regulatory asset determination and final maturity.

**Senate Bill 3 – Weatherization and critical energy infrastructure.** The legislation establishes the Texas Energy Reliability Council, which includes members from RRC, the Public Utility Commission (PUC), and TCEQ, to report on the reliability of the electricity supply chain in Texas no later than November 1 of each even-numbered year. It also establishes the Texas Electricity Supply Chain Security and Mapping Committee to map and identify critical infrastructure sources in the electricity supply chain. The committee will include representatives from RRC, PUC, and the Texas Division on Emergency Management and will establish best practices to prepare electric and natural gas service facilities to maintain service in extreme weather events. The RRC is required to establish rules and processes for critical gas suppliers to follow during emergencies and to

inspect each facility for emergency preparedness and weatherization compliance. In addition, the RRC has the authority to assess fines and penalties on critical facilities determined to be in noncompliance.

**Senate Bill 1260 – Treatment and Sales of drill cuttings.** The legislation authorizes the agency to dispose of stored drill cuttings from abandoned well sites by contracting with a third-party entity to treat the drill cuttings for subsequent use or sale at a public auction or public or private sale.



## STATE SOIL AND WATER CONSERVATION BOARD

**PURPOSE:** To work in conjunction with local soil and water conservation districts to encourage wise and productive use of natural resources, including soil conservation projects, flood-control dam construction and maintenance, management and abatement of agricultural and silvicultural (forestry) nonpoint source water pollution, and water supply enhancement.

**ESTABLISHED:** 1939

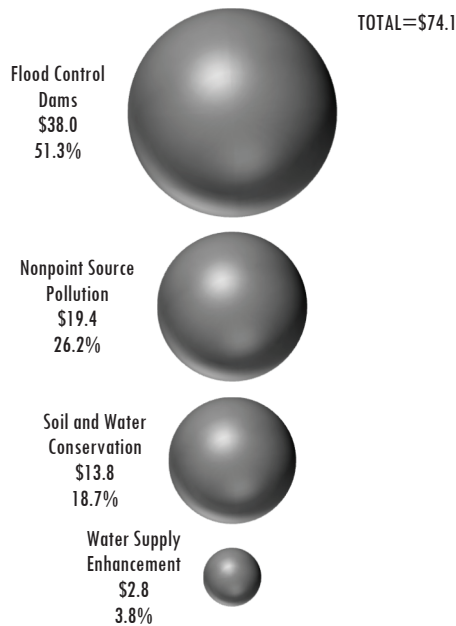
**AUTHORIZING STATUTE:** The Texas Agriculture Code, §201.001

**GOVERNANCE:** Five elected members and two members appointed by the Governor

**FIGURE 293**  
**STATE SOIL AND WATER CONSERVATION BOARD BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$41.4	\$43.5	\$2.1	5.1%	<b>2022</b> 73.6  <b>2023</b> 73.6
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$30.8	\$30.6	(\$0.2)	(0.8%)	
Other Funds	\$150.0	\$0.0	(\$150.0)	(100.0%)	
<b>Total, All Methods of Finance</b>	<b>\$222.2</b>	<b>\$74.1</b>	<b>(\$148.2)</b>	<b>(66.7%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Funding for rehabilitation and repair efforts of flood control dams totals \$38.0 million and provides for partial coverage of high bids received for projects initiated with funding from the Economic Stabilization Fund during the 2020–21 biennium and continuation of federally funded projects initiated in prior fiscal years.

Sixty-three flood-control dam projects are anticipated to receive funding during the 2022–23 biennium from \$150.0 million from the Economic Stabilization Fund appropriated through Senate Bill 500, Eighty-sixth Legislature, 2019.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Appropriations for the Texas State Soil and Water Conservation Board (TSSWCB) total \$74.1 million in All Funds, a decrease of \$148.2 million, or 66.7 percent, from 2020–21 biennial spending levels. This decrease is primarily due to a onetime appropriation of \$150.0 million in Other Funds from the Economic Stabilization Fund in Senate Bill 500, Eighty-sixth Legislature, 2019, for flood control dam maintenance and construction.

General Revenue Funds total \$43.5 million, a net increase of \$2.1 million, or 5.0 percent, from 2020–21 biennial spending levels, due to restoration of the 5.0 percent budget reductions required for all agencies in fiscal year 2021.

Federal Funds total \$30.6 million, a decrease of \$0.2 million, or 0.8 percent, from 2020–21 biennial spending levels, due to a reduction in grants for the Environmental Quality Incentives program used for local conservation programs.

## PROGRAMS

The agency carries out its responsibilities through four program areas: (1) Soil and Water Conservation; (2) Flood Control Dams; (3) Nonpoint Source Pollution; and (4) Water Supply Enhancement.

### SOIL AND WATER CONSERVATION

The Soil and Water Conservation program area consists of seven programs that provide assistance to local districts and the public. The agency provides the state's 216 local soil and water conservation districts (SWCD) with financial, technical, and program-management assistance for the development of district soil and water conservation programs.

### GRANT PROGRAMS

Three programs provide grants to SWCDs: (1) the Conservation Assistance Grants program; (2) the Soil and Water Conservation District Operations program; and (3) the Conservation Implementation Assistance Grants program. Appropriations for these programs total \$8.5 million in All Funds, which is similar to 2020–21 biennial spending levels. These programs do not include full-time-equivalent (FTE) positions.

The Conservation Assistance Grants program provides matching grants for daily operating expenses of SWCDs dollar for dollar. Locally raised funds typically are in the form of grants from the federal government or private entities because SWCDs do not have taxing authority. Funding

totals \$2.3 million in General Revenue Funds, which continues 2020–21 biennial spending levels.

The Soil and Water Conservation District Operations program provides financial support to SWCD offices, which typically are co-located with U.S. Department of Agriculture Natural Resource Conservation Service offices. Funding totals \$0.8 million in General Revenue Funds, which is an increase of \$0.1 million, or 21.4 percent, from 2020–21 biennial spending levels.

The Conservation Implementation Assistance Grants program provides SWCDs with funds to employ experts for various projects and to provide technical planning assistance regarding natural resource conservation to owners and operators of agricultural and other lands. Funding totals \$5.4 million in All Funds, which is a decrease of \$0.1 million, or 2.7 percent, from 2020–21 biennial spending levels.

### FIELD REPRESENTATIVE SUPPORT

The Field Representatives program provides support to field representatives that serve as liaisons to communicate and coordinate with SWCDs. Funding totals \$2.7 million in General Revenue Funds, including 13.5 FTE positions, which is an increase of \$0.1 million, or 2.6 percent, from 2020–21 biennial spending levels.

### PUBLIC EDUCATION AND INFORMATION

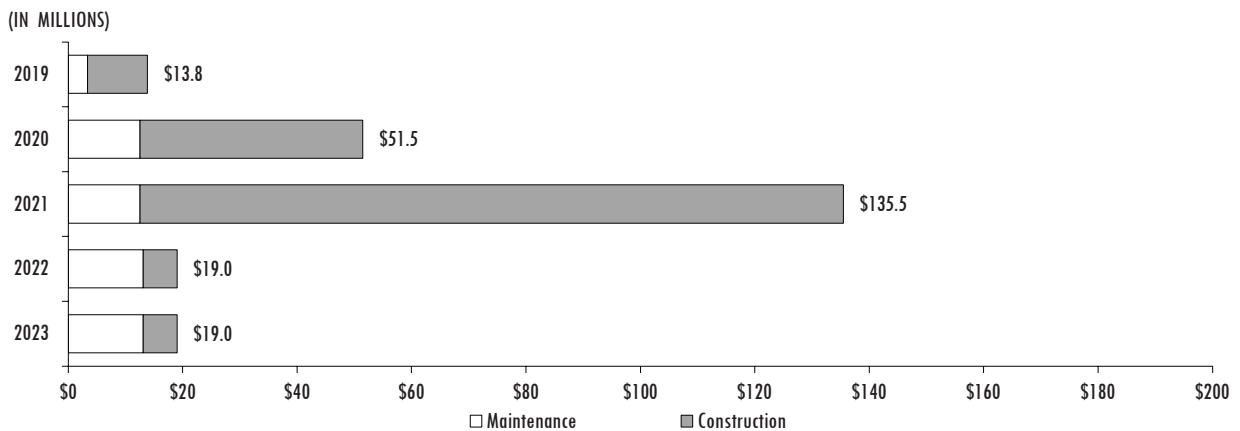
The Soil and Water Conservation Public Education and Information Program provides coordination of informative and educational programs related to the agency and its programs, services, operations, and resources. Funding totals \$0.2 million in General Revenue Funds, including 1.0 FTE position, which continues 2020–21 biennial spending levels.

### ADMINISTRATIVE FUNCTIONS

The Soil and Water Conservation District Mileage and Per Diem Reimbursement program and Indirect Administration programs include funding for the agency's administrative functions within the Soil and Water Conservation program area. Appropriations for these programs total \$2.5 million in All Funds, which is similar to 2020–21 biennial spending levels.

The Soil and Water Conservation District Mileage and Per Diem Reimbursement program provides funds to reimburse SWCD directors for travel expenses they incur while performing their duties. Funding totals \$0.9 million in General Revenue Funds, which continues 2020–21 biennial spending levels.

**FIGURE 294**  
**FLOOD-CONTROL DAM FUNDING MAINTENANCE AND CONSTRUCTION**  
**FISCAL YEARS 2019 TO 2023**



NOTE: Amounts shown for fiscal years 2019 to 2020 are expended; amounts shown for fiscal years 2021 to 2023 are appropriated.  
 SOURCE: Legislative Budget Board.

The Indirect Administration program provides funding for the governing board, executive director, human resources, budgeting and accounting, and other administrative functions. Funding totals \$1.6 million in General Revenue Funds, which is similar to 2020–21 biennial spending levels.

The Soil and Water Conservation program area is appropriated \$13.8 million in All Funds, which provides similar funding to 2020–21 biennial spending levels and funds 23.5 FTE positions.

### FLOOD-CONTROL DAMS

The Flood Control Dam program area includes the Flood Control Dam Grants program, which assists local districts in the operation and maintenance of flood-control dams.

TSSWCB uses appropriations to enter into cost-share agreements with local SWCDs for flood-control dam maintenance and structural repair projects. Of the state's 2,040 flood-control dams, 162 require structural repairs, 515 require high-hazard upgrades, and many others require maintenance. For flood-control dam structural repair projects, the state covers 95.0 percent of the cost of repair and 98.25 percent of the cost for a high-hazard upgrade, and the remainder is funded from local, federal, or private funds. For maintenance projects, the state pays 90.0 percent of the cost, and the remaining funds are paid from local or private funds.

Flood Control Dam Grants program funding totals \$38.0 million in All Funds and provides for 7.7 FTE positions.

This amount represents a decrease of \$148.9 million, or 79.7 percent, compared to 2020–21 biennial spending amounts. The decrease is primarily due to a onetime appropriation of \$150.0 million in Other Funds from the Economic Stabilization Fund in Senate Bill 500, Eighty-sixth Legislature, 2019, for flood-control dam maintenance and construction. As of November 2021, the agency anticipates that 63 flood-control dam projects will receive funding for repair or rehabilitation from Senate Bill 500 appropriated funds that will be obligated for fiscal years 2019, 2020, and 2021, and paid for through fiscal year 2025.

**Figure 294** shows expended amounts for flood-control dam maintenance and construction from fiscal years 2019 to 2020 and appropriated amounts from fiscal years 2021 to 2023. Maintenance costs include structural repairs, such as major repairs to damaged dams, and rehabilitation, such as improvements to increase hazard or size classification of flood-control dams across the state. These dams typically are earthen structures that were built on private property during the 1950s with the assistance of the federal government to help prevent flooding. Construction costs include all costs involving the development of new flood-control dams.

### NONPOINT SOURCE POLLUTION

The Nonpoint Source Pollution program area provides for the abatement of nonpoint source pollution caused by agricultural and silvicultural (forestry-related) uses of the state's soil and water resources through three programs: (1) the Nonpoint Source Grants program; (2) the Water Quality

Management Plan program; and (3) the Poultry Water Quality Management Plan program. Nonpoint source pollution affects water bodies contaminated by agricultural or urban runoff flow into rivers or watersheds. TSSWCB administers all state programs for abating nonpoint source pollution in the state and represents the state before the federal government in all matters related to agricultural and silvicultural nonpoint source pollution.

The Nonpoint Source Grants program funds projects intended to control and abate nonpoint source pollution. The agency implements these projects through a statewide management plan intended to control nonpoint source pollution and develop pollution-abatement plans for designated agricultural areas. As part of the development of individual water quality management plans, TSSWCB identifies areas with the potential for water quality problems resulting from agriculture and silviculture uses. Funding totals \$11.1 million in All Funds, including 10.3 FTE positions. This includes an increase of \$0.1 million, or 1.0 percent, in General Revenue Funds from 2020–21 biennial spending levels.

The Water Quality Management Plan program provides incentives to agricultural producers and other rural landowners to participate in voluntary nonpoint source pollution mitigation practices. Funding totals \$7.4 million in General Revenue Funds, including 23.1 FTE positions, an increase of \$0.4 million, or 5.7 percent, from 2020–21 biennial spending levels.

The Poultry Water Quality Management Plan program administers water quality management plans for poultry producers in the state. All poultry farms are required by law to have a water quality management plan certified by TSSWCB. Funding totals \$0.8 million in General Revenue Funds, including 6.0 FTE positions, which continues 2020–21 biennial spending levels.

Appropriations for the Nonpoint Source Pollution program area total \$19.4 million in All Funds and provide for 39.4 FTE positions, an increase of \$0.5 million, or 2.8 percent, from 2020–21 biennial spending levels.

#### **WATER SUPPLY ENHANCEMENT**

The Water Supply Enhancement program area is intended to protect and enhance the state's water supply, increase water conservation, and enhance water yields through the Rio Grande Carrizo Cane Eradication program. The program addresses nonnative, invasive carrizo cane strands that occupy

the banks and flood plains of the Rio Grande, with the intent of improving law enforcement efforts along the international border and improving access to riverbanks.

Appropriations for the Water Supply Enhancement program area total \$2.8 million in General Revenue Funds, including 3.0 FTE positions, an increase of \$0.2 million, or 6.6 percent, from 2020–21 biennial spending levels.

## TEXAS WATER DEVELOPMENT BOARD

**PURPOSE:** To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas.

**ESTABLISHED:** 1957

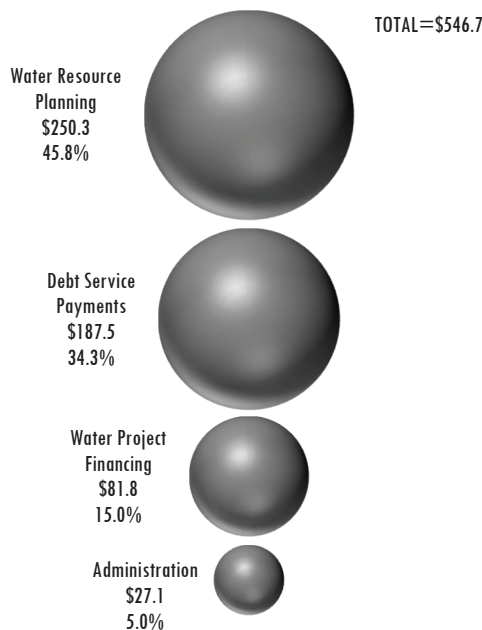
**AUTHORIZING STATUTE:** The Texas Constitution, Article III, §§49–50; the Texas Water Code, Chapters 6, 11, 15–17, 35–36; the Texas Government Code, Chapter 742

**GOVERNANCE:** Three-member, full-time board appointed by the Governor with the advice and consent of the Senate

**FIGURE 295**  
**TEXAS WATER DEVELOPMENT BOARD BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$132.1	\$174.0	\$42.0	31.8%	2022 406.1
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$90.2	\$95.3	\$5.1	5.7%	2023 401.1
Other Funds	\$1,621.6	\$277.4	(\$1,344.3)	(82.9%)	
<b>Total, All Methods of Finance</b>	<b>\$1,843.9</b>	<b>\$546.7</b>	<b>(\$1,297.2)</b>	<b>(70.4%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Nonself-supporting General Obligation water bond debt service funding** includes **\$59.2 million** for **Economically Distressed Areas** bonds and **\$128.4 million** for **Water Infrastructure** bonds.

**State Water Implementation Fund for Texas (SWIFT) funds totaling \$514.3 million were committed to 12 entities for fiscal year 2021.** Through fiscal year 2021, SWIFT has committed more than **\$9.2 billion** for **water and wastewater projects** across Texas.

**Approved water projects are supported by \$5.5 billion available outside the appropriations process:** Water Development Fund II, \$364.4 million; State Water Implementation Revenue Fund for Texas, \$879.6 million; SWIFT, \$1.7 billion; Clean Water State Revolving Fund, \$1.6 billion; and the Drinking Water State Revolving Fund, \$997.1 million.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Funding for the Water Development Board (TWDB) totals \$546.7 million in All Funds, which is a decrease of \$1.3 billion, or 70.4 percent, from 2020–21 biennial spending levels. This decrease is related primarily to the following changes:

- a decrease of \$1.3 billion in Other Funds due to onetime funding in the Texas Infrastructure Resiliency Fund (\$565.2 million) and Flood Infrastructure Fund (\$777.9 million) provided in Senate Bill 500, Eighty-sixth Legislature, 2019, to begin implementation of Senate Bill 7 and Senate Bill 8, Eighty-sixth Legislature; and
- a net decrease of \$7.5 million in All Funds for bond and loan programs including the following changes:
  - a net decrease of \$1.2 million in All Funds for the Economically Distressed Areas Program (EDAP). This amount includes a decrease of \$8.1 million in General Revenue Funds and an increase of \$0.9 million in Other Funds from the Economically Distressed Areas Bond Payment Account for debt service and bond payments. Fewer General Revenue Funds are required due to a greater portion of outstanding debt becoming self-supporting, and the increase in Other Funds is due to anticipated increases in bond payments that may be used for this purpose. This amount is offset partially by an increase of \$6.1 million in General Revenue Funds to support debt service payments on the issuance of new EDAP bonds;
  - a decrease of \$6.3 million in All Funds for the Water Infrastructure Fund (WIF) Program debt service and bond payments due to a greater proportion of outstanding debt becoming self-supporting. This amount includes a decrease of \$5.3 million in General Revenue Funds and a decrease of \$1.0 million in Other Funds from the WIF; and
  - a net increase of \$20.0 million in All Funds to remove siltation and sediment deposits at the San Jacinto River and Lake Houston. This increase is due to a \$50.0 million appropriation in General Revenue Funds to remove siltation at Lake Houston, offsetting onetime funding of \$30.0 million in Other Funds from the Texas

Infrastructure Resiliency Fund provided in Senate Bill 500, Eighty-sixth Legislature, 2019, to remove siltation and sediment deposits at the San Jacinto River and Lake Houston.

Funding available to TWDB that is outside the appropriations process totals \$5.5 billion in Other Funds from General Obligation (GO) Bond and Revenue Bond Proceeds, loan repayments, Federal Funds, and interest income, including: \$364.4 million from the Water Development Fund II; \$879.6 million from the State Water Implementation Revenue Fund for Texas; \$1.7 billion from the State Water Implementation Fund for Texas; \$1.6 billion from the Clean Water State Revolving Fund; and \$997.1 million from the Drinking Water State Revolving Fund.

## PROGRAMS

TWDB has four program areas: (1) water resource planning, (2) water project financing, (3) debt service payments, and (4) administration.

### WATER RESOURCES PLANNING

The Water Resources Planning program area includes 16 programs. TWDB develops and periodically updates a State Water Plan (SWP) that assesses the state's water needs for a 50-year period. This plan is revised every five years and developed by 16 designated regional planning groups in conjunction with TWDB. The SWP provides an overview of the state's current and prospective water use and identifies water supplies and estimated facility needs and costs. The plan also describes water problems and opportunities, outlines significant environmental concerns and water issues, and offers policy and funding recommendations to the Legislature. The process of drafting a water plan initially was formulated after what is referred to as the Drought of Record, which occurred during the 1950s.

TWDB adopted the 2022 SWP on July 7, 2021. In the 2022 iteration of the SWP, regional planning groups recommended implementing approximately 5,800 water management strategies and approximately 2,400 specific water management strategy projects to increase the water supply. If implemented, these projects are anticipated to provide 7.7 million acre-feet in additional water supplies by calendar year 2070. An acre-foot is the volume of water needed to cover an area of one acre to a depth of one foot, or the equivalent of the average annual water use by two families. Approximately 37.0 percent of the strategies are related to surface water resources, including new reservoirs; 31.0 percent is in the

form of demand management; 15.0 percent is related to reuse; 12.0 percent is related to groundwater management; 3.0 percent is related to aquifer storage and recovery resources; and 3.0 percent is related to seawater desalination. The capital costs of these projects are estimated to be \$80.0 billion through calendar year 2070. TWDB anticipates that local governments will fund \$44.6 billion, wholesale water providers will fund \$32.5 billion, and private industry will fund the remainder.

The agency has four subareas within the Water Resources Planning program area: (1) data collection and dissemination; (2) water planning; (3) providing technical assistance for conservation; and (4) administering state and federal flood programs. The Water Resources Planning program area appropriations total \$250.3 million in All Funds, a decrease of \$702.2 million, or 73.7 percent, from 2020–21 biennial spending levels, primarily due to onetime funding provided for fiscal year 2019 pursuant to Senate Bill 500, Eighty-sixth Legislature, 2019. These appropriations represent 45.8 percent of the agency's total appropriations.

#### **DATA COLLECTION AND DISSEMINATION**

The planning process at TWDB is supported by ongoing collection of basic data. Data collection determines the location, quantity, and quality of surface water and groundwater resources across the state. TWDB conducts localized and regional groundwater studies and prepares reports on these studies for use by individuals, municipalities, industry, and other state agencies involved in developing and managing groundwater resources. Within the data collection and dissemination subarea are the following programs: (1) Bays and Estuaries; (2) Groundwater Monitoring; (3) Hydrosurvey; (4) Instream Flows; and (5) Strategic Mapping.

The Bays and Estuaries program is responsible for collecting, analyzing, and disseminating physical and chemical water-quality data, which monitors the effects of freshwater inflows upon bays and estuaries; developing hydrologic and hydrodynamic models; and providing administrative and technical assistance to the environmental flows process. Program funding totals \$2.0 million in All Funds, including 6.0 FTE positions, which continues 2020–21 biennial spending levels.

The Groundwater Monitoring program measures water levels and water quality in wells across the state. This information is used for water planning, groundwater management, drought monitoring, and the development of groundwater resources by individual landowners, water providers, and

industry. Program funding totals \$1.6 million in All Funds, including 9.9 FTE positions, which continues 2020–21 biennial spending levels.

The Hydrosurvey program measures how quickly the state's reservoirs are filling up with sediment. The information is used to revise volume estimates that help the state understand how much water is available for use. Program funding totals \$0.8 million in All Funds, including 6.1 FTE positions, which continues 2020–21 biennial spending levels.

The Instream Flows program collects data on stream flows and lake levels. This information is used to monitor water supplies during drought, observe and plan for floods, evaluate water supplies, and help implement the water plan. Program funding totals \$3.4 million in All Funds, including 5.0 FTE positions, which continues 2020–21 biennial spending levels.

The Strategic Mapping program develops geographic data resources and provides data products online for government, commercial business, and the public. The program administers the state's High-priority Imagery and Data Sets contract for the Texas Council on Competitive Government. Program funding totals \$6.6 million in All Funds, including 17.9 FTE positions. This amount represents a decrease of \$0.1 million, or 1.1 percent, from 2020–21 biennial spending levels.

Appropriations for the data collection and dissemination subarea programs total \$14.5 million in All Funds, or 2.7 percent of total agency appropriations. This amount is a decrease of \$0.1 million, or 0.6 percent, from 2020–21 biennial spending levels.

#### **WATER PLANNING**

The water planning subarea includes the following programs: (1) Regional Water and Wastewater Facility Planning Grants; (2) Regional Water Planning; (3) Innovative Water Strategies; (4) Groundwater Availability Modeling; (5) Groundwater Technical Assistance; and (6) Water Availability Modeling.

Through the Regional Water and Wastewater Facility Planning Grants program, the agency provides grants for the following tasks: (1) conducting feasibility studies that examine regional alternatives to meet communities' water and wastewater facility needs; (2) evaluating flooding risks on a watershed basis; (3) determining structural and nonstructural solutions to flooding problems; and (4) developing alternatives to mitigate flood risks. Program funding totals \$5.7 million in All Funds, which continues

2020–21 biennial spending levels. This program has no FTE positions.

The Regional Water Planning program provides financial, administrative, and technical support for the five-year development cycle of the 16 regional water plans, including guiding their development. The program also provides funding and contract management, development of population and demand projections, and socioeconomic and planning data analysis. Program funding totals \$5.3 million in All Funds, including 29.5 FTE positions. This amount includes an increase of \$0.2 million, or 4.4 percent, from 2020–21 biennial spending levels.

The Innovative Water Technologies program provides research, information, and technical assistance regarding the use of nontraditional water supplies such as desalination, reuse, aquifer storage and recovery, and rainwater harvesting. Program funding totals \$4.4 million in All Funds, including 8.3 FTE positions. This amount includes an increase of \$0.3 million, or 7.7 percent, from 2020–21 biennial spending levels.

The Groundwater Availability Modeling program develops, operates, and maintains numerical groundwater flow models to provide unbiased information regarding how much groundwater is available for use for a desired condition. These models are used for water planning, groundwater management, and evaluating the use of aquifers. Program funding totals \$4.3 million in All Funds, including 16.6 FTE positions. This amount represents a decrease of \$0.8 million, or 15.7 percent, from 2020–21 biennial spending levels.

The Groundwater Technical Assistance program provides technical assistance to residents, water providers, industries, groundwater conservation districts, and regional water-planning groups regarding the state's groundwater resources. Program funding totals \$1.0 million in All Funds, including 7.1 FTE positions. This amount is approximately the same as 2020–21 biennial spending levels.

The Water Availability Modeling program supports regional water planning by providing and verifying the availability of surface water. Program funding totals \$0.2 million in All Funds, including 1.0 FTE position, which is approximately the same as 2020–21 biennial spending levels.

Appropriations for the agency's Water Planning subarea programs total \$20.9 million, or 3.8 percent of the agency's All Funds appropriations. This amount represents a decrease

of \$0.2 million, or 1.2 percent, compared to 2020–21 biennial spending levels.

#### *TECHNICAL ASSISTANCE FOR CONSERVATION*

The technical assistance for conservation subarea includes the Water Conservation Education and Assistance program, which focuses on increasing water conservation through public outreach programs, education materials, technical assistance, and funding. TWDB staff reviews financial assistance applications for water conservation plans and the status and content of water loss audits. Appropriations for this program total \$5.6 million, or 1.0 percent of the agency's All Funds appropriations, which continues 2020–21 biennial funding levels. This program contains 21.7 FTE positions.

#### *STATE AND FEDERAL FLOOD PROGRAMS*

The State and Federal Flood Programs administration subarea includes the following four programs: (1) State Flood Planning, Information, and Response; (2) National Flood Insurance Program (NFIP) Flood Mitigation Assistance and Severe Repetitive Loss Grant Program; (3) Floodplain Mapping; and (4) NFIP Community Assistance and Training.

The State Flood Planning, Information, and Response program provides information to forecasters, responders, and the public to assist in making decisions related to flood preparation, response, and recovery. The program also installs a network of stream gages to enhance flood notification systems and provides funds to state and local entities for floodplain management. Program funding totals \$125.6 million in All Funds, including 57.7 FTE positions. This amount includes a decrease of \$707.1 million, or 84.9 percent, from 2020–21 biennial spending levels. This decrease is due to supplemental funding pursuant to Senate Bill 500, Eighty-sixth Legislature, 2019, of \$44.0 million to implement Senate Bill 7 and Senate Bill 8, Eighty-sixth Legislature, 2019, and \$790.8 million to implement Senate Bill 7. This funding is being used to develop the state flood plan and flood maps and for flood infrastructure projects.

The Eightieth Legislature, 2007, named TWDB as the agency responsible for coordinating NFIP within the state. The NFIP state coordinator serves as the liaison between the federal component of the program and local communities. The primary duty of the state coordinator is to provide guidance and education to communities to assist in meeting federal eligibility requirements for entrance into NFIP and



to assist the communities with maintaining their NFIP participation status.

The NFIP Flood Mitigation Assistance and Severe Repetitive Loss Grant program provides grants of up to several million dollars in federal funding each year to communities for flood-hazard mitigation planning and to address the long-term risk of flood damage to certain structures insured through NFIP. Program funding totals \$80.2 million in All Funds, including 4.4 FTE positions. This amount includes an increase of \$5.4 million, or 7.3 percent, from 2020–21 biennial spending levels.

The Floodplain Mapping program develops data and mapping products to strengthen the digital flood insurance rate maps that serve as the official reference for determinations of floodplain elevations. The program provides access to federal funding for local communities via the statewide Cooperating Technical Partner agreement with the Federal Emergency Management Agency (FEMA). Program funding totals \$2.5 million in All Funds, including 2.6 FTE positions. This amount includes a decrease of \$0.2 million, or 6.1 percent, from 2020–21 biennial spending levels.

The NFIP Community Assistance and Training program provides administration and mitigation grants for the NFIP. The program also provides technical assistance and education to communities regarding federal floodplain management regulations. Program funding totals \$1.1 million in All Funds, including 4.9 FTE positions. This amount includes a decrease of \$0.1 million, or 7.9 percent, from 2020–21 biennial spending levels.

Appropriations for the State and Federal Flood Programs administration subarea total \$209.3 million in All Funds, or 38.2 percent of the agency's appropriations. This amount includes a decrease of \$701.9 million, or 77.0 percent, from 2020–21 biennial spending levels. This change is due primarily to onetime funding appropriated in Senate Bill 500, Eighty-sixth Legislature, 2019.

### **WATER PROJECT FINANCING**

Through the water project financing program area, TWDB provides financial assistance for building or expanding water and wastewater infrastructure throughout the state, and the agency administers various grant and loan programs. The water project financing program area includes the following programs: (1) State Financial Assistance; (2) Clean Water State Revolving Fund Administration;

(3) Drinking Water State Revolving Fund Administration; (4) Economically Distressed Areas Program; (5) Special Appropriations Act Projects; and (6) Remove Siltation and Sediment Deposits at San Jacinto River and Lake Houston.

### **STATE FINANCIAL ASSISTANCE**

The State Financial Assistance program administers loans and grants for water, wastewater, and flood-control projects with funding outside the General Appropriations Act from the Water Development Fund, Rural Water Assistance Fund, Water Infrastructure Fund, State Participation Program, Agricultural Water Conservation, and the Groundwater District Loan Assistance Fund.

### **WATER DEVELOPMENT FUND AND WATER DEVELOPMENT FUND II**

Since calendar year 1957, Texas voters have approved constitutional amendments authorizing TWDB to issue approximately \$10.7 billion in bonds to augment the Water Development Fund and Water Development Fund II (DFund II). Of that amount, onetime issuance authority was provided for \$4.7 billion in bonds, all of which have been issued, and the authority is extinguished. Additionally, TWDB has authority to issue bonds for DFund II in amounts such that the aggregate principal amount of outstanding bonds issued does not exceed \$6.0 billion, and approximately \$42.7 million is outstanding in accordance with that authority through the end of fiscal year 2021. Proceeds from the bonds provide financial assistance to Texas communities in the form of direct loans and state match of Federal Funds. The fund provides loans and grants for the following actions:

- the acquisition, improvement, or construction of water-related projects, such as water wells, retail distribution and wholesale transmission lines, pumping facilities, storage reservoirs and tanks, water treatment plants, and wastewater collection and treatment projects;
- the purchase of water rights; and
- flood-control projects.

Before voters approved a constitutional amendment during calendar year 1997 that established the fund, TWDB issued bonds out of Water Development Fund I. After the passage of the amendment, all funds in Fund I were transferred to Fund II. **Figure 296** shows the estimated outstanding debt and debt service requirements as of August 31, 2021, for TWDB's self-supporting bonds.

**FIGURE 296  
ESTIMATED OUTSTANDING DEBT AND DEBT SERVICE REQUIREMENTS FOR SELF-SUPPORTING BONDS  
AS OF AUGUST 31, 2021**

<b>(IN MILLIONS)</b>		
<b>FUND</b>	<b>ESTIMATED OUTSTANDING DEBT</b>	<b>ESTIMATED DEBT SERVICE REQUIREMENTS</b>
Water Development Fund II (DFund II)	\$860.9	\$165.8
State Participation Program	\$69.8	\$16.1
Water Infrastructure Fund	\$165.4	\$62.9
State Water Implementation Revenue Fund for Texas	\$5,558.6	\$728.9
Clean Water State Revolving Fund	\$222.9	\$43.6
Drinking Water State Revolving Fund	\$237.9	\$45.8
<b>Total</b>	<b>\$7,115.5</b>	<b>\$1,063.1</b>

NOTE: Totals may not sum due to rounding.

SOURCE: Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium.

**STATE PARTICIPATION PROGRAM**

Financing available through the State Participation Program (SPP) enables TWDB to assume temporary ownership of eligible projects and recover principal, interest, and issuance costs on a deferred timetable (i.e., until a sufficient rate base develops in the project area to enable local participants to purchase the state’s interest). For new water supply projects, TWDB may fund up to 80.0 percent of project costs through SPP. Eligible projects include reservoirs and storm water retention basins for water supply, flood protection, and groundwater discharge; facilities for the transmission and treatment of water; treatment works; and any project listed in the SWP. Water providers surveyed during the planning process for the 2022 SWP reported an anticipated need of more than \$47.0 billion in state financial assistance to implement strategies in their regions. As of August 31, 2021, SPP cumulative commitments total \$367.6 million.

**STATE WATER IMPLEMENTATION FUND FOR TEXAS AND STATE WATER IMPLEMENTATION REVENUE FUND FOR TEXAS**

The State Water Implementation Fund for Texas (SWIFT) and the State Water Implementation Revenue Fund for Texas (SWIRFT) were established during fiscal year 2013 to provide affordable, ongoing state financial assistance for water and wastewater projects in the SWP. Funding in SWIFT is used to implement the SWP. SWIRFT funding provides leveraging, bond enhancement, interest rate discounts, loan payment deferrals to borrowers, and extended loan terms. Communities benefit from low-interest loans, extended repayment terms, deferral of

loan repayments, and incremental repurchase terms. SWIRFT was capitalized with \$2.0 billion from the Economic Stabilization Fund (ESF), an amount that subsequently was transferred to SWIFT during fiscal year 2014. Through fiscal year 2021, SWIFT has committed more than \$9.2 billion for projects across Texas. The 2021 bond sale funded more than \$514.3 million in commitments to 12 entities.

**FLOOD INFRASTRUCTURE FUND**

The Flood Infrastructure Fund (FIF) program is a direct loan and grant program funded with a onetime transfer of \$793.0 million from the ESF by Senate Bill 500, Eighty-sixth Legislature, 2019, for flood control, flood mitigation, and drainage projects. Eligible flood projects are flood protection planning; planning, acquisition, design, construction, or rehabilitation; federal award matching funds; and measures immediately effective in protecting life and property. FIF provides subsidized loans, grants, and matching funds. FIF began making project commitments in fiscal year 2021.

**TEXAS INFRASTRUCTURE RESILIENCY FUND**

The Texas Infrastructure Resiliency Fund (TIRF) program is a direct loan and grant program funded with a onetime transfer of \$638.0 million from the ESF by Senate Bill 500, Eighty-sixth Legislature, 2019. Eligible projects are FEMA Public Assistance projects and Hazard Mitigation Assistance projects funded through the Texas Division of Emergency Management (TDEM). TIRF reimburses local communities for the nonfederal share of projects. TIRF began making project commitments in fiscal year 2021.

**FIGURE 297**  
**PROJECTS FUNDED FOR STATE WATER IMPLEMENTATION FUND FOR TEXAS, TEXAS INFRASTRUCTURE RESILIENCY FUND,**  
**AND FLOOD INFRASTRUCTURE FUND, FISCAL YEARS 2020 AND 2021**

(IN MILLIONS)

FUND	PROJECTS	COMMITTED FUNDING
State Water Implementation Fund for Texas	10	\$1,039.7
Texas Infrastructure Resiliency Fund	3,382	\$76,177.3
Flood Infrastructure Fund	175	\$362.0
<b>Total</b>	<b>3,567</b>	<b>\$77,579.0</b>

NOTE: Totals may not sum due to rounding.

SOURCE: Water Development Board.

**Figure 297** shows the number of projects funded and the amount of funding during the 2020–21 biennium for SWIFT, TIRF, and FIF.

#### WATER INFRASTRUCTURE FUND

WIF historically provided reduced-interest loan rates and deferral of annual principal and interest payments for SWP projects funded through WIF. WIF financed project needs and preconstruction environmental and engineering studies. Projects previously funded through WIF are now funded through SWIFT.

#### RURAL WATER ASSISTANCE FUND

The Rural Water Assistance Fund program is a direct-loan program offering low interest rates funded from GO Bond Proceeds (Other Funds). It is intended to assist small rural utilities to obtain low-cost financing for water and wastewater projects through private-sector investments. Eligible projects include planning, design, and construction for wells; storage reservoirs; treatment plants; wastewater collection and treatment; collections systems; and nonpoint pollution abatement.

#### AGRICULTURAL WATER CONSERVATION FUND

The Agricultural Water Conservation Fund offers direct loans at low interest rates. Loans are funded with available balances in the fund. Eligible projects include those with a conservation purpose, such as research and demonstration projects, projects to improve the efficiency of water delivery on existing irrigation systems, and installation of devices to indicate the amount of water withdrawn for irrigation purposes.

Appropriations for State Financial Assistance total \$21.3 million, or 3.9 percent of agency appropriations, including 43.0 FTE positions. This amount represents a decrease of

\$1.0 million, or 4.6 percent, compared to 2020–21 biennial spending levels. Total appropriations for state and federal financial assistance programs do not include the loans, grants, and other forms of financial assistance made through DFund II, SWIFT, FIF, and TIRF.

#### CLEAN WATER STATE REVOLVING FUND

The Clean Water State Revolving Fund (CWSRF) is capitalized with Federal Funds and proceeds from revenue bonds and GO bonds (Other Funds). It provides subsidized loans and loan forgiveness for wastewater, reuse, and storm water infrastructure projects that address compliance issues consistent with the requirements of the federal Clean Water Act. Loan forgiveness up to 70.0 percent is available on a limited basis to disadvantaged communities and up to 15.0 percent is available for projects whose green component costs total at least 30.0 percent of the project's total cost. Since CWSRF's inception during fiscal year 1988, TWDB has received \$2.5 billion in federal capitalization grants (i.e., Federal Funds for construction projects). As of September 2021, TWDB has made 1,167 commitments totaling \$11.0 billion in loans and grants to entities to improve wastewater treatment facilities across the state. Appropriations to administer CWSRF total \$4.8 million in All Funds, or 0.9 percent of the agency's budget, including 32.2 FTE positions. This amount includes a decrease of \$0.1 million, or 1.9 percent, from 2020–21 biennial spending levels.

#### DRINKING WATER STATE REVOLVING FUND

The Drinking Water State Revolving Fund (DWSRF) also is capitalized with Federal Funds and proceeds from revenue bonds and GO bonds (Other Funds), and it is authorized pursuant to the federal Safe Drinking Water Act. Initiated during fiscal year 1996, DWSRF includes federal capitalization grants matched with TWDB-issued

GO bonds and loan repayments deposited back into the fund. The fund provides reduced-interest-rate loans to ensure compliance with the national primary drinking water standards. In addition, loan forgiveness is available for disadvantaged communities (up to 70.0 percent), for green project costs (up to 15.0 percent), and for very small systems (up to 100.0 percent of project costs up to a total of \$300,000). Since DWSRF's inception, the agency has been awarded capitalization grants totaling \$1.6 billion. As of September 2021, TWDB has made 743 loan commitments totaling \$3.6 billion for projects that will assist entities through DWSRF. Appropriations to administer DWSRF total \$5.0 million in All Funds, or 0.9 percent of total agency appropriations, including 30.1 FTE positions. This amount is approximately the same as 2020–21 biennial spending levels.

#### **ECONOMICALLY DISTRESSED AREAS PROGRAM**

EDAP provides financial assistance for the supply of water and wastewater services to economically distressed areas where water or wastewater facilities are inadequate to meet minimum state standards. With voter approval of three constitutional amendments during calendar years 1989, 1991, and 2007, TWDB was authorized to issue \$500.0 million in GO bonds to provide affordable water and wastewater services in these areas. Senate Joint Resolution 79, Eighty-sixth Legislature, 2019, approved by voters in November 2019, provided additional GO bond authority for EDAP in amounts such that the aggregate principal amount of outstanding bonds issued does not exceed \$200.0 million at any time. As of August 31, 2021, TWDB has directed \$838.0 million through EDAP and the Colonia Wastewater Treatment Assistance Program funding and utilized an additional \$257.2 million from other TWDB programs to provide water and wastewater improvements for the benefit of approximately 313,589 residents in economically distressed areas.

TWDB is appropriated \$0.7 million in All Funds, or 0.1 percent of total agency appropriations, for the administration of EDAP-related programs, including 4.0 FTE positions. This amount includes a decrease of \$0.1 million, or 13.5 percent, compared to 2020–21 biennial spending levels. EDAP assistance amounts from GO Bond Proceeds (Other Funds) and Federal Funds are not included in this total because these amounts are not part of TWDB's administrative appropriation.

#### **SPECIAL APPROPRIATION ACT PROJECT GRANTS**

The federal Special Appropriation Act Projects (SAAP) grants provide funding for water and wastewater projects. The U.S. Environmental Protection Agency distributes financial assistance funds directly to the recipients, and TWDB manages construction and oversees programs. TWDB receives 3.0 percent of the project's total costs to monitor construction and provide construction and administration assistance for Texas projects. Appropriations for SAAP total \$9,858, including 0.1 FTE position. This amount is approximately the same as 2020–21 biennial spending levels.

#### **REMOVE SILTATION AND SEDIMENT DEPOSITS AT SAN JACINTO RIVER AND LAKE HOUSTON**

Funds in this program are intended to provide a grant to Harris County to remove accumulated siltation and sediment deposits located at the confluence of the San Jacinto River and Lake Houston. Appropriations for the program total \$50.0 million in General Revenue Funds, or 9.2 percent of total agency appropriations, with no FTE positions. The amount includes an increase of \$20.0 million, or 66.7 percent, from 2020–21 biennial spending levels. The General Revenue Funds appropriation to remove siltation at Lake Houston offsets the onetime funding of \$30.0 million in Texas Infrastructure Resiliency Fund No. 175 provided in Senate Bill 500, Eighty-sixth Legislature, 2019.

#### **DEBT SERVICE PAYMENTS**

Appropriations for the Water Project Financing program area total \$81.8 million in All Funds, or 15.0 percent of the agency's appropriations. This amount includes a decrease of \$589.3 million, or 87.8 percent, compared to 2020–21 biennial spending levels, primarily due to a onetime appropriation for matching FEMA funds provided by Senate Bill 500, Eighty-sixth Legislature, 2019.

The debt service payments program area includes EDAP Debt Service and WIF Debt Service. Much of the state funding that the agency provides to local governments for water and wastewater projects is financed through bonds. The issuance of bonds requires debt service to repay the principal and interest on the bonds. Debt service for most programs within DFund II, CWSRF, and DWSRF is recovered fully through loan repayments. However, debt service for bonds issued through EDAP and WIF is not recovered in this way. The debt service for these bonds, referred to as non-self-supporting GO bonds, is not recovered entirely through loan repayments and requires General

Revenue Funds to cover debt service requirements fully. For EDAP, loan repayments are insufficient to cover debt service because the majority of assistance is provided through grants and below-market-rate loans.

Appropriations for EDAP Debt Service total \$59.2 million, which includes \$55.5 million in General Revenue Funds and \$3.7 million in Other Funds from the Economically Distressed Areas Bond Payment Account and Appropriated Receipts. Total appropriations include a decrease of \$1.2 million, or 1.9 percent, from 2020–21 biennial spending levels due to a decrease in outstanding debt offset by an increase in appropriations to support additional bonds. This program contains no FTE positions.

Loan repayments made within WIF are subsidized and may be deferred up to 10.0 years and, therefore, require appropriations of General Revenue Funds to meet debt service requirements during the first years of the project. Appropriations total \$128.4 million in All Funds for WIF debt service, which includes \$3.1 million in General Revenue Funds and \$125.3 million from the Water Infrastructure Fund (Other Funds). This amount includes an All Funds decrease of \$6.3 million, or 4.7 percent, compared to 2020–21 biennial spending levels. The decrease is attributable mainly to decreased debt service requirements for bonds that have become self-supporting. This program contains no FTE positions.

**Figure 298** shows expected debt service needs from General Revenue Funds for each of the programs from fiscal years 2017 to 2023.

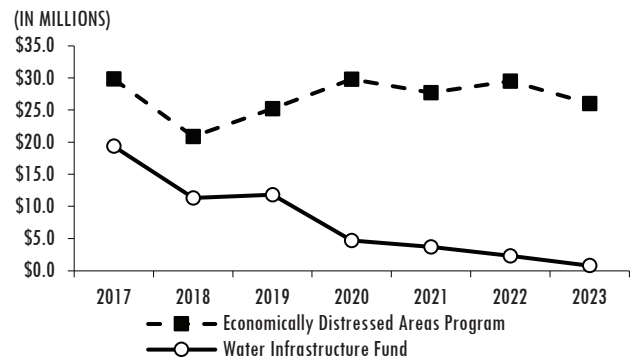
**ADMINISTRATION**

The agency’s administration program area consists of the indirect administration program, which is appropriated \$27.1 million, including 98.0 FTE positions for fiscal year 2022 and 93.0 FTE positions for fiscal year 2023, to support the agency’s three program areas. The 5.0 additional FTE positions for fiscal year 2022 are for implementation of the state’s Centralized Accounting and Payroll/Personnel System. This amount includes an increase of \$1.7 million, or 6.7 percent, from 2020–21 biennial spending levels.

**SIGNIFICANT LEGISLATION**

**House Bill 1904 – Permissible uses of WIF.** The legislation amends the Texas Water Code to expand the permissible uses

**FIGURE 298  
GENERAL REVENUE FUNDS DEBT SERVICE PAYMENTS  
FISCAL YEARS 2017 TO 2023**



SOURCE: Legislative Budget Board.

of WIF by authorizing TWDB to transfer WIF funds to the financial assistance account of DFund II. Funds transferred into DFund II may be expended without appropriation.



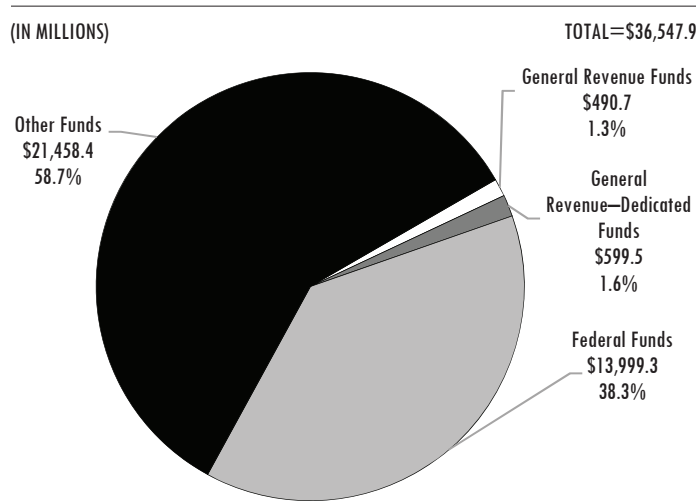
# 10. BUSINESS AND ECONOMIC DEVELOPMENT

The five business and economic development state agencies provide services supporting the Texas economy through transportation, business and workforce development, lottery and bingo operations, and community infrastructure. These agencies include the Department of Housing and Community Affairs, the Texas Lottery Commission, the Department of Motor Vehicles, the Texas Department of Transportation, and the Texas Workforce Commission.

**FIGURE 299**  
**ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$520.9	\$490.7	(\$30.2)	(5.8%)
General Revenue–Dedicated Funds	\$622.8	\$599.5	(\$23.3)	(3.7%)
Federal Funds	\$16,904.6	\$13,999.3	(\$2,905.3)	(17.2%)
Other Funds	\$22,018.7	\$21,458.4	(\$560.3)	(2.5%)
<b>Total, All Methods of Finance</b>	<b>\$40,067.1</b>	<b>\$36,547.9</b>	<b>(\$3,519.1)</b>	<b>(8.8%)</b>

**SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)**



**SIGNIFICANT DEVELOPMENTS**

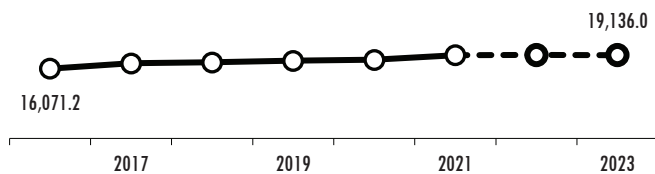
Appropriations for the **Texas Department of Transportation** include a **decrease of \$2.4 billion in Federal Funds** including decreases of **\$2.3 billion for highway planning and construction** and **\$156.9 million from funding related to the COVID-19 pandemic** for public transportation, general aviation, and reimbursements for agency response expenditures.

Appropriations for the **Texas Workforce Commission** represent a **net decrease of \$464.1 million in Federal Funds** related to onetime awards from the Coronavirus Relief Fund in the 2020–21 biennium.

Appropriations for the **Texas Department of Housing and Community Affairs** include a **\$39.1 million decrease in Federal Funds**, primarily due to increased onetime funding for low-income home energy assistance from federal COVID-19 pandemic-related stimulus funding in the 2020–21 biennium.

Appropriations for the **Department of Transportation** include a **net decrease of \$0.6 billion in Other Funds**, due to changes in several funds, including traditional revenue sources from the State Highway Fund, Revenue Bonds, and funding related to Proposition 1, 2014, and Proposition 7, 2015.

**FULL-TIME-EQUIVALENT POSITIONS**



**NOTES:**

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent positions show actual positions for fiscal years 2016 to 2020, budgeted positions for fiscal year 2021, and appropriated positions for fiscal years 2022 and 2023.

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

**FIGURE 300**  
**ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT APPROPRIATIONS BY AGENCY, ALL FUNDS**

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Housing and Community Affairs	\$842.4	\$801.6	(\$40.7)	(4.8%)
Texas Lottery Commission	\$556.8	\$525.1	(\$31.6)	(5.7%)
Department of Motor Vehicles	\$341.9	\$307.3	(\$34.6)	(10.1%)
Department of Transportation	\$33,218.7	\$30,242.5	(\$2,976.2)	(9.0%)
Texas Workforce Commission	\$4,342.2	\$3,791.7	(\$550.5)	(12.7%)
Reimbursements to the Unemployment Compensation Benefit Account	\$55.1	\$64.8	\$9.7	17.7%
<b>Subtotal, Business and Economic Development</b>	<b>\$39,357.1</b>	<b>\$35,733.1</b>	<b>(\$3,624.0)</b>	<b>(9.2%)</b>
Retirement and Group Insurance	\$806.7	\$841.0	\$34.4	4.3%
Social Security and Benefits Replacement Pay	\$166.1	\$169.9	\$3.8	2.3%
Bond Debt Service Payments	\$21.3	\$20.3	(\$1.1)	(5.1%)
Lease Payments	\$0.0	0.0	\$0.0	N/A
<b>Subtotal, Employee Benefits and Debt Service</b>	<b>\$994.1</b>	<b>\$1,031.2</b>	<b>\$37.1</b>	<b>3.7%</b>
Less Interagency Contracts	\$284.0	\$216.3	(\$67.8)	(23.9%)
<b>Total, All Functions</b>	<b>\$40,067.1</b>	<b>\$36,547.9</b>	<b>(\$3,519.1)</b>	<b>(8.8%)</b>

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.

**MAJOR FUNDING**

All Funds for the Business and Economic Development agencies total \$36.5 billion for the 2022–23 biennium, a decrease of \$3.5 billion, or 8.8 percent, from the 2020–21 biennium. General Revenue Funds total \$490.7 million, a decrease of \$30.2 million, or 5.8 percent, from the 2020–21 biennium.

Funding for the **Texas Department of Transportation** (TxDOT) for the 2022–23 biennium includes \$30.2 billion in All Funds, a decrease of \$3.0 billion from the 2020–21 biennium. The decrease in funding is due primarily to a net decrease of \$2.4 billion in Federal Funds, including an estimated decrease of \$2.3 billion in federal reimbursements for highway planning and construction project expenditures and a decrease of \$159.6 million in onetime federal funding related to the COVID-19 pandemic for rural public transportation, general aviation airports, and agency-estimated reimbursements for pandemic response expenditures. The funding change also includes decreases in Other Funds consisting primarily of a decrease of \$326.0 million in Revenue Bond Proceeds for construction of the agency’s Austin Campus Consolidation project and a decrease

of \$130.0 million in supplemental appropriations from the Economic Stabilization Fund for county transportation infrastructure grants (\$125.0 million) and for expansion of emergency and first responder facilities at the South Texas International Airport (\$5.0 million).

Funding includes the following amounts: an estimated \$5.1 billion from anticipated state sales tax and motor vehicle sales and rental tax deposits to the State Highway Fund (SHF), pursuant to Proposition 7, 2015, a decrease of \$0.7 billion; an estimated \$4.5 billion from oil and natural gas tax-related deposits to the SHF, pursuant to Proposition 1, 2014, an increase of \$0.9 billion; and all SHF available from traditional transportation tax and fee revenue sources, estimated to be \$9.1 billion for the 2022–23 biennium, a decrease of \$0.7 billion. House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, includes supplemental appropriations of \$406.4 million in Other Funds from the SHF in fiscal year 2021, including \$210.0 million for construction, deferred maintenance, and land acquisition for TxDOT buildings and facilities; \$136.8 million for major information technology projects related to legacy modernization, enterprise information management, and



other technology replacements and upgrades; \$48.2 million for cybersecurity initiatives; and \$10.6 million for upgrades and improvements to the agency's Centralized Accounting and Payroll/Personnel System.

Funding for the **Department of Motor Vehicles** (DMV) includes a net decrease of \$34.6 million in All Funds from the 2020–21 biennium. The decrease is due primarily to a decrease of \$19.6 million for information technology (IT) projects, including decreases of \$15.8 million (including \$9.9 million in General Revenue Funds and \$5.9 million in Other Funds) for TxDMV Automation Systems projects, \$2.7 million in Other Funds for onetime IT application and infrastructure improvements, and \$1.2 million for digital license plate implementation costs. Funding also includes decreases of \$5.0 million in Other Funds for facilities deferred maintenance and security system projects and \$2.4 million in Other Funds from decreased license plate, registration sticker, and parking placard production costs. These amounts are offset by an increase of \$5.6 million in General Revenue Funds for Motor Vehicle Crime Prevention Authority grants, including an increase of \$1.3 million to restore the 5.0 percent reductions from the 2020–21 biennium. House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, includes supplemental appropriations totaling \$13.0 million in Other Funds in fiscal year 2021, including \$6.2 million for a replacement building at the agency's headquarters; \$3.5 million for acquisition of an accounts receivable system; \$3.1 million for the agency's webSALVAGE information technology project; and \$0.3 million to implement a system for extended county fleet vehicle registration, pursuant to Senate Bill 1064, Eighty-seventh Legislature, Regular Session, 2021.

Funding for the **Texas Workforce Commission** includes a net decrease in All Funds of \$550.5 million due primarily to a \$499.6 million decrease in onetime Federal Funds awarded from the Coronavirus Relief Fund (CRF) and a \$73.5 million decrease in an Interagency Contract transfer to align with projected childcare costs at the Department of Family and Protective Services. Changes in other federal grants not related to the CRF amounted to a net increase of \$35.5 million, including an increase of \$24.0 million in the federal Child Care and Development Block Grant for additional childcare services provided to low-income families. Appropriations include an increase of \$0.6 million to facilitate the participation of veterans and military personnel in apprenticeship training programs pursuant to Senate Bill 337, Eighty-seventh Legislature, Regular Session, 2021, and

an increase of \$8.0 million in General Revenue Funds for the implementation of an Employer and Community Based Organization Partnerships program, which seeks to transition residents without housing and employment off public benefits and into permanent employment.

Funding for the **Texas Lottery Commission** includes a net decrease of \$31.6 million in All Funds. This decrease is due primarily to a decrease of \$25.9 million for the lottery operator contracts, a decrease of \$15.9 million for mass media advertising contracts with external vendors, and a decrease of \$3.8 million in Bingo Prize Fee Collection funding associated with House Bill 914, Eighty-sixth Legislature, 2019. Additionally, appropriations related to agency operation expenses decreased by \$5.2 million to represent leasing and operating changes associated with the agency's anticipated relocation to the George H.W. Bush Building in the Capitol Complex in 2022. Appropriations also include an increase of \$17.8 million in General Revenue–Dedicated Funds from the 2022–23 biennium to align appropriations for retailer commissions with changes in projected gross lottery sales.

Funding for the **Texas Department of Housing and Community Affairs** for the 2022–23 biennium includes a net decrease of \$40.7 million in All Funds. This decrease is due to a large influx of federal funds related to the COVID-19 pandemic in the 2020–21 biennium, tapering off in the 2022–23 biennium and resulting in a biennial decrease of \$39.1 million in Federal Funds. In addition, appropriations include a decrease of \$1.7 million in Other Funds. This amount includes a \$0.2 million decrease related to an expiring Interagency Contract with the Texas Health and Human Services Commission, a \$4.0 million decrease related to onetime funding from the Economic Stabilization Fund provided by the Eighty-sixth Legislature, 2019, and an increase of \$2.6 million related to additional expected Appropriated Receipts collections.

## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

**PURPOSE:** Texas Department of Housing and Community Affairs (TDHCA) administers affordable housing, housing-related and community service programs; regulates the state’s manufactured housing industry; ensures program compliance with federal and state requirements; and provides educational materials or technical assistance for housing and community services.

**ESTABLISHED:** 1991

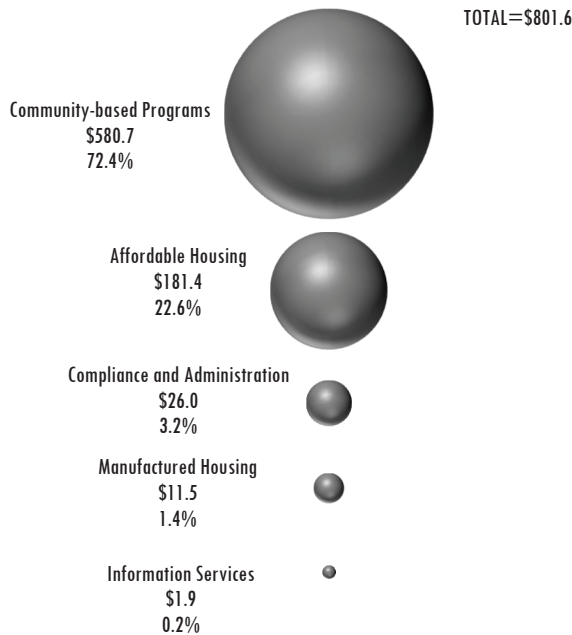
**AUTHORIZING STATUTE:** The Texas Government Code, §2306.001

**GOVERNANCE:** TDHCA Governing Board – seven public members appointed by the Governor with advice and consent of the Senate

**FIGURE 301**  
**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$26.0	\$26.0	\$0.0	0.0%	<b>2022</b> 328.0  <b>2023</b> 327.0
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$772.1	\$733.1	(\$39.1)	(5.1%)	
Other Funds	\$44.3	\$42.6	(\$1.7)	(3.8%)	
<b>Total, All Methods of Finance</b>	<b>\$842.4</b>	<b>\$801.6</b>	<b>(\$40.7)</b>	<b>(4.8%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations include a **\$39.1 million decrease in Federal Funds**, primarily due to increased funding for low-income home energy assistance in the 2020–21 biennium from the federal Coronavirus Aid, Relief, and Economic Security Act, 2020.

The agency is required to **report monthly to the Legislature on the status of funding and applications to the Texas Rent Relief Program.**

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Appropriations for the Texas Department of Housing and Community Affairs (TDHCA) for the 2022–23 biennium include a net decrease of \$40.7 million in All Funds. This decrease is due to a large, unexpected influx of Federal Funds related to the COVID-19 pandemic in the 2020–21 biennium, tapering off in the 2022–23 biennium and resulting in a biennial decrease of \$39.1 million in Federal Funds. In addition, appropriations include a decrease of \$1.7 million in Other Funds. This decrease includes a \$0.2 million decrease related to an expiring Interagency Contract with the Texas Health and Human Services Commission, a \$4.0 million decrease related to onetime funding from the Economic Stabilization Fund provided by the Eighty-sixth Legislature, 2019, and an increase of \$2.6 million related to additional expected Appropriated Receipts collections. Federal Funds contribute \$733.1 million, or 91.4 percent, of the agency's total appropriation for the 2022–23 biennium.

TDHCA also holds certain funds outside the state Treasury that are not included in the General Appropriations Act. TDHCA issues mortgage revenue bonds for single-family and multifamily projects. Most of these bonds are federally authorized, tax-exempt, private-activity bonds. The proceeds of these bonds are for financing low-interest loans to income-eligible, first-time home buyers and to developers of affordable rental housing. Funds and obligations associated with TDHCA's bond indentures contribute the majority of funds that TDHCA maintains in the Texas Treasury Safekeeping Trust Company. TDHCA pays bond investors as it receives loan repayments from homeowners and developers (see the section regarding **Affordable Housing Program Area**).

## PROGRAMS

TDHCA's responsibilities are carried out through five main program areas: (1) community-based programs; (2) affordable housing; (3) compliance and administration; (4) manufactured housing; and (5) information services.

### COMMUNITY-BASED PROGRAMS

Community-based programs at TDHCA consist of six programs to improve the living conditions of the poor and homeless and to reduce the cost of home energy for very low-income households. These programs include: (1) Comprehensive Energy Assistance Program; (2) Weatherization Assistance Program; (3) Community

Services Block Grant; (4) Emergency Solutions Grant Program; (5) Homeless Housing and Services Program; and (6) Community Development Block Grant – Coronavirus Aid, Relief, and Economic Security (CARES) Act, 2020. Federal programs administered by the U.S. Department of Health and Human Services, the U.S. Department of Housing and Urban Development, the U.S. Department of Energy, and General Revenue Funds are the primary sources of funding for these programs. Community-based programs are the largest-funded program area at TDHCA, and appropriations total \$580.7 million in All Funds, or 72.4 percent, of the agency's appropriations.

The Comprehensive Energy Assistance Program assists low-income households in meeting immediate energy needs and educates consumers on how to control energy costs. The program is administered through subrecipients across the state, providing services for Texas' 254 counties. TDHCA is appropriated \$269.6 million in Federal Funds for the Comprehensive Energy Assistance Program for the 2022–23 biennium. Additionally, TDHCA administers grants to local organizations across the state for the Weatherization Assistance Program. The program provides energy-related assistance through installation of weatherization materials and education to very low-income individuals and families. The programs help reduce families' energy-related costs and target consumers that are most vulnerable to extreme weather conditions, such as the elderly, individuals with disabilities, and families with small children. The Weatherization Assistance Program is appropriated \$70.6 million in Federal Funds for the 2022–23 biennium.

TDHCA administers the federal Community Services Block Grant Program and the Emergency Solutions Grant Program (ESG) to provide emergency and permanent shelter, utilities, nutrition, clothing, medical, and other services for the elderly, the needy, homeless persons, and persons with disabilities. These programs help communities to improve living conditions for poor and homeless individuals, help to transition families out of poverty, and help provide assistance to individuals affected by natural disasters. These programs also received additional funding to mitigate the effects of the COVID-19 pandemic. Funds are disbursed through community action agencies, continuum of care, nonprofit organizations, and local governments, and are available statewide. TDHCA is appropriated \$84.7 million in Federal Funds for the Community Services Block Grant Program and \$67.9 million in Federal Funds for the ESG Program for the 2022–23 biennium.

The Community Development Block Grant Program – CARES Act provides funding for direct rental assistance and eviction diversion to low-income populations affected by the COVID-19 pandemic. Funding also is used for food distribution and to assist providers serving individuals with disabilities. TDHCA is appropriated \$75.3 million in Federal Funds for the Community Development Block Grant Program – CARES Act for the 2022–23 biennium.

The Homeless Housing and Services Program (HHSP) supports homeless initiatives in the state’s nine largest cities. The initiatives may include construction and development of housing for homeless individuals, rehabilitation of structures targeted to serve homeless persons, or provisions to provide direct services and case management to homeless persons. The Homeless Housing and Services Program is appropriated a total of \$12.6 million in General Revenue Funds for the 2022–23 biennium.

Not included in appropriations are donations to the Ending Homelessness Fund, which is maintained in the Texas Treasury Safekeeping Trust Company and administered in conjunction with ESG and HHSP.

### **AFFORDABLE HOUSING**

TDHCA operates the following 12 programs related to affordable housing: (1) HOME Investment Partnerships Program; (2) Tax Credit Assistance Program (TCAP) Repayment Fund Program; (3) Section 8 Housing Choice Voucher; (4) Texas Housing Trust Fund – Amy Young Barrier Removal; (5) Texas Housing Trust Fund – Bootstrap Program; (6) National Housing Trust Fund; (7) Federal Housing Tax Credit; (8) Neighborhood Stabilization Program; (9) Section 811 Project Rental Assistance Program; (10) My First Texas Home, Mortgage Credit Certificate, and My Choice Texas Home programs; (11) Multifamily Mortgage Revenue Bond Program; and (12) Low Income Housing Energy Assistance Program – CARES Act. Most housing activities are made available through federally funded or federally authorized programs that provide affordable housing to extremely low-income, very low-income, low-income, and moderate-income families. **Figure 302** shows household incomes for a family of four at each income classification by metropolitan area. **Figure 303** shows, by multifamily and single-family designation, the number of households or units funded by program for fiscal year 2021 and the number of units anticipated for fiscal years 2022 and 2023.

The federal HOME Investment Partnerships (HOME) Program provides grants or loans for the construction of single-family and multifamily housing units by public and private sector partnerships. HOME awards also finance home buyer, home repair, and tenant-based rental assistance, and can be used to help eligible communities affected by natural disasters. Pursuant to statute, 95.0 percent of TDHCA’s HOME funds are available only to areas of the state that are mostly rural and that do not receive HOME funds directly from the federal government. The remaining 5.0 percent of the funds are reserved for Texas residents with disabilities. TDHCA is appropriated \$70.9 million in Federal Funds for the 2022–23 biennium for the HOME Program.

The TCAP Repayment Fund program is funded through repayments on loans previously provided to developers of multifamily rental properties. The loan repayments are repurposed to provide loans to developers of affordable, multifamily rental properties across the state. TDHCA is appropriated \$18.0 million in Federal Funds for the 2022–23 biennium for the TCAP Repayment Fund program.

The Section 8 Housing Choice Voucher Program is a federal program in which qualified tenants typically pay 30.0 percent of their adjusted income for rent, and the federal government pays the balance in an amount not to exceed fair market value, pursuant to the federal Housing Act, Section 8 (1937). The program provides rental payments directly to residence owners on behalf of extremely low-income, very low-income, and low-income families and individuals, including the elderly and individuals with disabilities. The majority of Section 8 vouchers in the state are administered through local public housing authorities. TDHCA’s Section 8 Program serves a limited number of rural or suburban communities that do not have local public housing authorities. The Section 8 Housing Choice Voucher Program is appropriated \$14.5 million in Federal Funds for the 2022–23 biennium.

The Housing Trust Fund (HTF) programs are the agency’s only state-funded housing programs. Except for administrative funding, all appropriations provided for the program are transferred each fiscal year to the Housing Trust Fund located outside the state Treasury. TDHCA applies a minimum of \$3.0 million each year to support the legislatively mandated Texas Bootstrap Loan Program, a self-help loan program that targets economically distressed communities. The majority of the remaining funds are used for the Amy Young Barrier Removal program, a program that provides onetime grants to individuals with disabilities

**FIGURE 302**  
**TARGETED HOUSEHOLDS BY AREA MEDIAN FAMILY INCOME, FISCAL YEAR 2021**

AREA	AREA MEDIAN FAMILY INCOME (AMFI)	EXTREMELY LOW INCOME (≤30.0% AMFI)	VERY LOW INCOME (≤50.0% AMFI)	VERY LOW INCOME (≤60.0% AMFI)	LOW INCOME (≤80.0% AMFI)
State of Texas Median Income, Family of Four	\$75,100	\$22,550	\$37,550	\$45,100	\$60,100
Selected Metropolitan Statistical Areas (MSA)					
Austin–San Marcos MSA (Bastrop, Caldwell, Hays, Travis, and Williamson counties)	\$98,900	\$29,670	\$49,450	\$59,340	\$79,120
Dallas MSA (Collin, Dallas, Denton, Ellis, Henderson, Hunt, Kaufman, and Rockwall counties)	\$89,000	\$26,700	\$44,500	\$53,400	\$71,200
El Paso MSA (El Paso County)	\$51,600	\$15,480	\$25,800	\$30,690	\$41,280
Houston MSA (Chambers, Fort Bend, Liberty, Harris, Montgomery, and Waller counties)	\$79,200	\$23,760	\$39,600	\$47,520	\$63,360
San Antonio MSA (Bexar, Comal, Guadalupe, and Wilson counties)	\$74,100	\$22,230	\$37,050	\$44,460	\$59,280

## NOTES:

- (1) Applicable maximum income limits are calculated by U.S. Department of Housing and Urban Development (HUD) based on Area Median Family Income and other factors.
- (2) State median income is provided for comparative purposes and is not utilized for any program administered by the Texas Department of Housing and Community Affairs (TDHCA). HUD does not calculate 60.0 percent limits for the statewide median income; data shown represents a straight calculation.
- (3) MSA income limits shown are based on applicable federal Housing Tax Credit Program and HOME Investment Partnerships Program income limits for a family of four people. Some properties and contracts may target other income categories, such as 40.0 percent or less, as TDHCA provides incentives for assistance to lower-income households. Some programs, such as the My First Texas Home, may serve moderate-income households. The Very Low Income category is defined as up to 50.0 percent AMI federally but up to 60.0 percent AMI pursuant to TDHCA's enabling legislation. Data shown utilizes the state definition.

SOURCE: Texas Department of Housing and Community Affairs.

**FIGURE 303**  
**MULTIFAMILY AND SINGLE-FAMILY HOUSEHOLDS OR UNITS BY PROGRAM, FISCAL YEARS 2021 TO 2023**

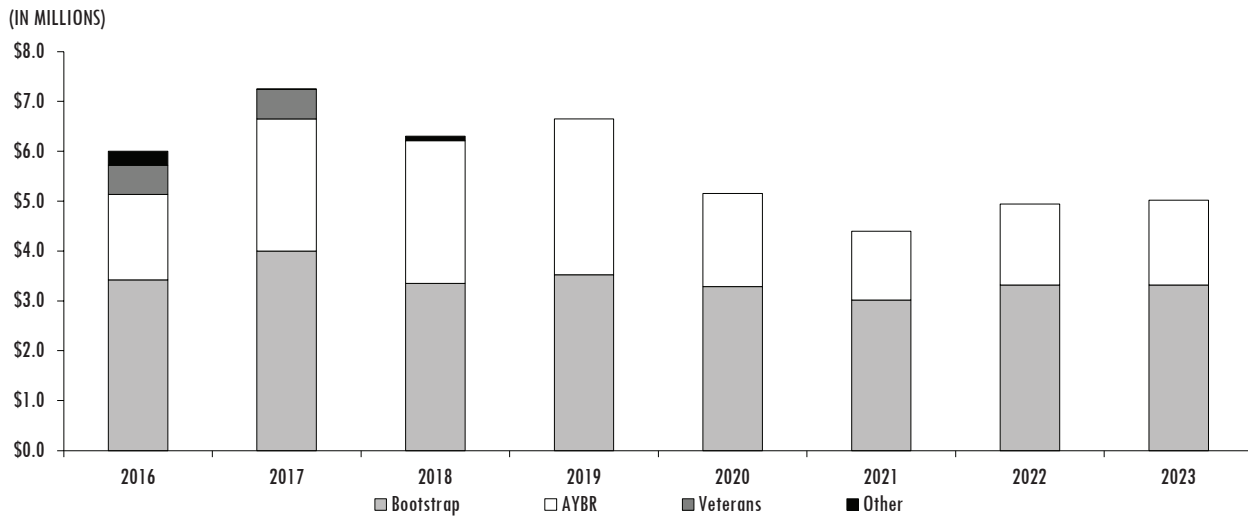
PROGRAM	2021			2022			2023		
	MULTIFAMILY	SINGLE FAMILY	TOTAL	MULTIFAMILY	SINGLE FAMILY	TOTAL	MULTIFAMILY	SINGLE FAMILY	TOTAL
Housing Trust Fund	0	146	146	0	118	118	0	118	118
HOME Program	110	2,076	2,186	80	880	960	150	880	1,030
Low-income Housing Tax Credit Program	11,686	0	11,686	14,535	0	14,535	18,766	0	18,766
Mortgage Revenue Bond (3)	1,832	11,994	13,826	484	12,010	12,494	1,907	12,011	13,918
Multifamily Direct Loan Program (Excludes HOME Program) (4)	120	0	120	80	0	80	250	0	250
Section 8 Program	837	0	837	871	0	871	871	0	871
Section 811 Program	570	0	570	701	0	701	761	0	761
<b>Total</b>	<b>15,155</b>	<b>14,216</b>	<b>29,371</b>	<b>16,751</b>	<b>13,008</b>	<b>29,759</b>	<b>22,705</b>	<b>13,009</b>	<b>35,714</b>

## NOTES:

- (1) All amounts are estimates.
- (2) Data for multifamily programs shows units completed or to be completed during the fiscal year. Some units receive funding from multiple programs and may be counted more than once, including all multifamily units financed through the Mortgage Revenue Bond Program.
- (3) Mortgage Revenue Bond Program includes the single-family My First Texas Home, Mortgage Credit Certificate, and My Choice Texas Home programs and the Multifamily Mortgage Revenue Bond program.
- (4) Units shown for Multifamily Direct Loan Program (Excludes HOME) are funded through Tax Credit Assistance Program Repayment Funds, the National Housing Trust Fund, or the Neighborhood Stabilization Program. Multifamily Direct loans funded through HOME are shown as HOME multifamily units.

SOURCE: Texas Department of Housing and Community Affairs.

**FIGURE 304**  
**HOUSING TRUST FUND EXPENDITURES, FISCAL YEARS 2016 TO 2023**



NOTES:

- (1) Amounts shown for fiscal years 2022 and 2023 are estimated.
- (2) Bootstrap=Texas Bootstrap Loan Program; AYBR=Amy Young Barrier Removal program.
- (3) The Other category includes: Gap Financing Federal Disaster Funds, Foreclosure Prevention, Single Family Development, Rural Housing/ Grow Home Pilot, Homeownership SuperNOFA, Multifamily Rental Development, Capacity Building Grant, Affordable Housing Match Program, Homebuyers Assistance, Rural Housing Expansion Program Contract for Deed Conversion Assistance Pilot, and Homeless and Housing Services Program.
- (4) Beginning fiscal year 2018, all funding for the Veterans Housing Assistance Program is appropriated directly at the Texas Veterans Commission (TVC). Historically, the Texas Department of Housing and Community Affairs transferred funds to TVC for administration of the program.

SOURCE: Texas Department of Housing and Community Affairs.

that need modifications in their homes to increase accessibility or eliminate hazardous conditions. **Figure 304** shows a history of spending for programs within the Housing Trust Fund from fiscal years 2016 to 2023. TDHCA is appropriated \$9.5 million in General Revenue Funds and \$0.1 million in Other Funds for the HTF programs for the 2022–23 biennium.

The National Housing Trust Fund program provides funding to nonprofit and for-profit entities for the construction or rehabilitation of affordable multifamily rental developments serving extremely low-income households. Funding for these entities is provided in the form of low-interest, repayable loans. The National Housing Trust Fund is appropriated \$30.5 million in Federal Funds for the 2022–23 biennium.

The federal Housing Tax Credit (HTC) Program is the primary means of financing rental housing to low-income Texans. The program encourages private investment in exchange for tax credits and other incentives. In return for the tax credits, owners must set aside a minimum of 20.0 percent to 40.0 percent of units for use by extremely low-

income and very low-income tenants; however, most owners set aside 100.0 percent of units for qualified low-income families. Two types of tax credits apply: competitive and noncompetitive. The HTC program is open to nonprofit and for-profit developers and is available statewide. Appropriations for the HTC program represent only the administrative costs of this program and total \$4.5 million in Other Funds for the 2022–23 biennium.

The Neighborhood Stabilization Program is funded through repayments from loans issued to communities to acquire and redevelop foreclosed properties. Repayments are used to support previously funded land-bank activities and provide loans to developers of affordable, multifamily rental properties across the state. The Neighborhood Stabilization program is appropriated \$3.3 million in Federal Funds for the 2022–23 biennium.

TDHCA administers the Section 811 Project Rental Assistance program, which provides project-based rental assistance to select state housing finance agencies for project-based rental operating assistance for individuals with

disabilities, pursuant to the federal National Affordable Housing Act, Section 811 (1990). TDHCA operates the Section 811 Project Rental Assistance program in partnership with the Health and Human Services Commission. This program is appropriated \$13.6 million in Federal Funds for the 2022–23 biennium.

TDHCA administers the My First Texas Home, Mortgage Credit Certificate (MCC), and My Choice Texas Home programs, which are operated primarily with funding from the issuance of single-family mortgage revenue bonds (SFMRB) and other mortgage brokerage models administered outside of the state Treasury. Appropriations for these programs represent the administrative costs of the programs. The My First Texas Home and My Choice Texas Home programs offer competitive interest rates on home loans and provide down payment assistance for eligible participants. The MCC program offers homeowners a federal income tax credit for a portion of their mortgage interest paid per year. These programs are appropriated \$3.2 million in Other Funds for the 2022–23 biennium.

The Multifamily Mortgage Revenue Bond (MFMRB) program is operated primarily with funding through the issuance of multifamily mortgage revenue bonds administered outside of the state Treasury. Appropriations for the MFMRB program represent the administrative costs of this program. The MFMRB program issues taxable and tax-exempt mortgage revenue bonds to developers and uses the bond proceeds to finance the construction, acquisition, or rehabilitation of affordable rental properties. The MFMRB program is appropriated \$0.9 million in Other Funds for the 2022–23 biennium.

The bond proceeds from these single-family and multifamily mortgage revenue bonds are held by trustees outside the state Treasury and are not included in the General Appropriations Act. At the end of fiscal year 2021, TDHCA had approximately \$982.0 million in SFMRBs outstanding and \$968.1 million in MFMRBs outstanding. TDHCA also has \$10.0 million in single-family issuer notes and \$307.1 million in multifamily issuer notes outstanding. Issuer notes are loan agreements between TDHCA and a borrower. The agency estimates that it will issue \$900.0 million in SFMRBs and \$500.0 million in MFMRBs during the 2022–23 biennium. Factors such as the bond and housing markets will determine the amount of bonds actually issued each year. TDHCA also estimates that it will utilize \$250.0 million in private activity bond authority each year of the biennium to issue MCCs. In addition, TDHCA expects to facilitate access

to an estimated \$1.6 billion per year in privately financed, market-rate mortgage loans utilizing down payment assistance funded through its single-family bond indentures.

### **COMPLIANCE AND ADMINISTRATION**

The compliance and administration program area includes four programs: (1) Central Administration; (2) Compliance and Monitoring; (3) Information Resource Technologies; and (4) Operations and Support Services.

Central Administration, Information Resource Technologies, and Operations and Support Services provide agencywide services and monitoring of contract, grant, and housing requirements. These programs also assist with TDHCA's human resources, software development, and financial administration. These three programs are appropriated \$17.0 million in All Funds for the 2022–23 biennium.

The Compliance and Monitoring program ensures that TDHCA-supported rental developments adhere to commitments made at the time of funding, including serving low-income households, charging restricted rents, and maintaining the physical condition of the properties. To ensure compliance, TDHCA conducts onsite monitoring visits to review documentation and physically inspect the properties. TDHCA also monitors to verify that subrecipients are delivering promised, contractually established benefits, such as home repair and energy assistance, to target populations, and that federal and state requirements are met. Additionally, through this program and in cooperation with the Manufactured Housing Division, TDHCA inspects and licenses private and public migrant labor housing to ensure that the housing meets minimum safety standards. The Compliance and Monitoring program is appropriated \$9.0 million in All Funds for the 2022–23 biennium.

### **MANUFACTURED HOUSING**

TDHCA's Manufactured Housing Division, which is governed by a separate board and executive director, is funded primarily through Appropriated Receipts (Other Funds) associated with title, inspection, and licensing fees to support the manufactured housing industry. Three programs are included in Manufactured Housing: (1) inspections; (2) licensing; and (3) enforcement. The funding is provided for the purpose of providing statements of ownership and registration service; conducting inspections of manufactured homes; protecting the public and consumers; and providing processing of occupational licenses, registrations, or permit fees. The Manufactured Housing Division also provides

inspection oversight as a State Administrative Agency for the U.S. Department of Housing and Urban Development. The Manufactured Housing Division appropriations include \$4.0 million in All Funds for the inspection program; \$4.0 million in All Funds for the licensing program; and \$3.5 million in All Funds for the enforcement program for the 2022–23 biennium.

### **INFORMATION SERVICES**

TDHCA has three programs to provide information and technical assistance for extremely low-income, very low-income, and low-income households. These programs include the following areas: (1) Housing Resource Center; (2) Office of Colonia Initiatives and Colonia Self Help Centers; and (3) Housing and Health Services Coordination Council.

The agency provides information through the legislatively mandated Housing Resource Center, which serves as a statewide clearinghouse of information about housing and community services programs. The housing center provides information and technical assistance regarding the state's housing needs, community services, and affordable housing programs to consumers, developers, researchers, and the public. The housing center also is responsible for developing legislatively required planning documents such as the State Low-Income Housing Plan. The Housing Resource Center program is appropriated \$1.2 million in Other Funds for the 2022–23 biennium.

Through the Office of Colonia Initiatives, colonia residents and communities along the Texas–Mexico border receive technical assistance, education, and self-help programs through TDHCA field offices and Colonia Self-Help Centers. The Office of Colonia Initiatives and Colonia Self-Help Centers program is appropriated \$0.6 million in Other Funds for the 2022–23 biennium. The Housing and Health Services Coordination Council coordinates and increases state efforts to offer service-enriched housing for individuals with disabilities or older Texans. The Housing and Health Services Coordination Council is appropriated \$0.2 million in General Revenue Funds for the 2022–23 biennium.

### **SIGNIFICANT LEGISLATION**

**House Bill 1558 – Application scoring for low-income housing tax credits.** The legislation requires the system that TDHCA uses for scoring and ranking applications for a low-income housing tax credit to encourage an applicant to give preference to low-income veterans in leasing certain units.

### **House Bill 2893 – Establishment of colonia self-help centers in certain counties and representation of those counties on the Colonia Resident Advisory Committee.**

The legislation requires the Texas Department of Housing and Community Affairs to establish a colonia self-help center in Nueces County, and to increase the minimum number of resident members of the Colonia Resident Advisory Committee from five to six.



## TEXAS LOTTERY COMMISSION

**PURPOSE:** Generate revenue for the state through the management and sale of entertaining lottery products and provide authorized organizations the opportunity to raise funds for their charitable purposes by conducting bingo.

**ESTABLISHED:** 1993

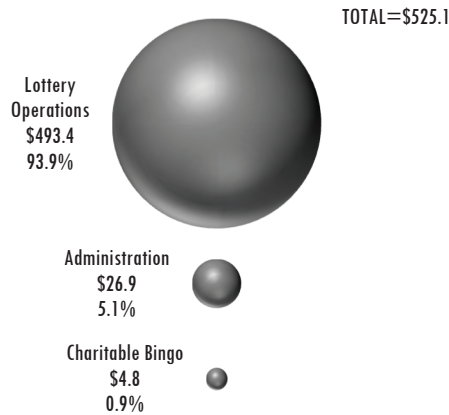
**AUTHORIZING STATUTE:** The Texas Government Code, §467.002

**GOVERNANCE:** Texas Lottery Commission—five members appointed by the Governor with the advice and consent of the Senate

**FIGURE 305**  
**TEXAS LOTTERY COMMISSION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$8.9	\$4.8	(\$4.1)	(45.6%)	<table border="1"> <tr> <td>2022</td> <td>321.5</td> </tr> <tr> <td>2023</td> <td>321.5</td> </tr> </table>	2022	321.5	2023	321.5
2022	321.5								
2023	321.5								
General Revenue–Dedicated Funds	\$547.9	\$520.3	(\$27.6)	(5.0%)					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	N/A					
<b>Total, All Methods of Finance</b>	<b>\$556.8</b>	<b>\$525.1</b>	<b>(\$31.6)</b>	<b>(5.7%)</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The Eighty-sixth Legislature, 2019, passed legislation resulting in **changes to the process of allocating bingo prize fees to local jurisdictions after January 1, 2020**. These fees no longer pass through the agency's budget, resulting in a net decrease of \$3.8 million in General Revenue Funds from the 2020–21 biennium.

Appropriations include an **increase of \$17.8 million related to aligning funding for Retailer Commissions with changes in projected gross lottery sales**.

Appropriations include a **decrease of \$15.9 million for contracts that promote lottery games**.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

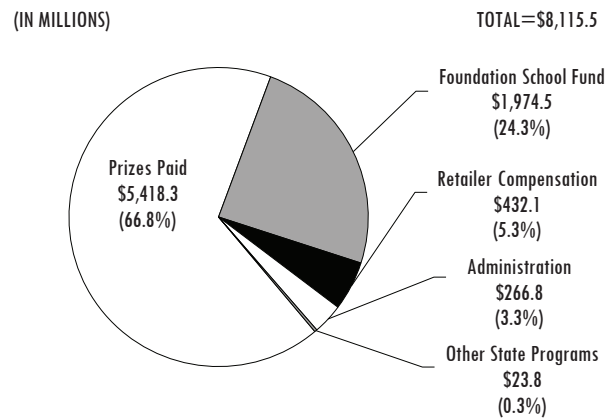
Appropriations for the Texas Lottery Commission (TLC) for the 2022–23 biennium include a net decrease of \$31.6 million in General Revenue Funds and General Revenue–Dedicated Funds (Account No. 5025, State Lottery) for the agency’s lottery operations. This change is due primarily to a decrease of \$25.9 million for the lottery operator contract, a decrease of \$15.9 million for mass media advertising contracts with external vendors, and a decrease of \$3.8 million in Bingo Prize Fee Collection funding. Additionally, appropriations related to agency operation expenses decreased by \$5.2 million to represent leasing and operating changes related to the agency’s relocation to the George H.W. Bush Building in the Capitol Complex.

Appropriations include an increase of \$1.4 million for changes in agency product contracting and administration costs. Appropriations also include an increase of \$17.8 million in General Revenue–Dedicated Funds during the 2022–23 biennium to align appropriations for retailer commissions with changes in projected gross lottery sales. Appropriations for both lottery operator contracts and retailer commissions are based on a percentage of gross lottery ticket sales. The Comptroller of Public Accounts estimates in the 2022–23 Biennial Revenue Estimate that lottery sales will total \$6.3 billion for fiscal years 2022 and 2023.

Proceeds from the sale of lottery tickets are the source of revenue used to pay for all costs of operation for the Texas Lottery, including the payment of lottery prizes, retailer commissions, and other costs for operation and administration of the lottery. The Texas Government Code, Chapter 466, known as the State Lottery Act, limits the amount of these funds that may be expended for retailer commissions and agency administration to 12.0 percent of gross ticket revenues. The State Lottery Act establishes a minimum retailer commission of 5.0 percent of gross ticket sales, which leaves a maximum of 7.0 percent of gross sales that may be expended for agency administration. In practice, total appropriations for agency administration have been approximately 5.1 percent. The agency is appropriated an additional 0.5 percent of gross ticket sales each year to pay sales performance retailer commissions. The agency transfers any unexpended administrative funds to the state to fund public education.

Since fiscal year 2018, TLC has transferred more than \$1.5 billion to the state each year after deductions for

**FIGURE 306  
DISTRIBUTION OF TEXAS LOTTERY PROCEEDS  
FISCAL YEAR 2021**



**NOTES:**

- (1) The Other State Programs category includes transfers to the General Revenue–Dedicated Accounts for Veterans’ Assistance, Texas Veterans Commission; and State Owned Multicategorical Teaching Hospital, Health and Human Services Commission.
  - (2) Transfers to the Foundation School Fund and Other State Programs include \$73.4 million in unclaimed prizes from fiscal year 2021 lottery sales.
  - (3) Amounts determined on an accrual basis. Amounts may not sum due to rounding.
  - (4) Amounts are estimated.
- SOURCE: Texas Lottery Commission.

prizes and administrative costs. **Figure 306** shows the distribution of lottery proceeds in fiscal year 2021, and **Figure 307** shows gross lottery sales and revenue to the state for fiscal years 2004 to 2021.

Legislation by the Eighty-sixth Legislature, 2019, resulted in a method-of-finance change from General Revenue–Dedicated Funds to General Revenue Funds for the agency’s charitable bingo operations for the 2020–21 biennium. Appropriations represent an overall decrease of \$3.8 million in funding for bingo prize fees for the 2022–23 biennium because the agency no longer receives and transfers prize fees owed to local jurisdictions as of January 1, 2020. This function is carried out by licensed charitable bingo organizations with either payment to local jurisdictions or retention of the funds by organizations for charitable purposes.

**PROGRAMS**

TLC performs its responsibilities through three main program areas: (1) Texas lottery operations; (2) charitable bingo; and (3) administration.

**TEXAS LOTTERY OPERATIONS**

TLC is tasked with operating the state’s lottery system so that it is self-supporting, produces revenue, and is free of criminal activity. The agency’s lottery-related activities are completed primarily through the following six programs: the lottery operator contract; marketing and promotions; retailer commissions, bonuses, and incentives; advertising services contracts; operations; and security.

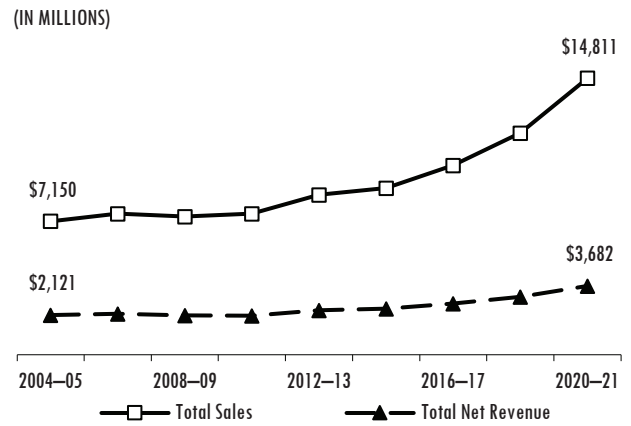
The lottery operator contract is the largest component of Texas lottery operations. The operator manages all aspects of contract vendor services for scratch ticket and online gaming, including managing all game terminals and hardware, providing field sales and business development staff, warehousing scratch tickets, ordering and distributing lottery products, and providing retailer technical support. The operator contract is based on a percentage of gross lottery ticket sales, and TLC is appropriated \$260.4 million for the operator contract for the 2022–23 biennium for this purpose.

Through the operator contract, TLC offers scratch-ticket lottery games benefiting the Texas Veterans Commission’s Fund for Veterans’ Assistance (Other Funds). TLC began offering the scratch-ticket games in November 2009. Ticket sales have generated \$166.1 million for the Texas Veterans Commission since the contract’s inception. **Figure 308** shows net proceeds from these ticket sales from fiscal years 2014 to 2021.

TLC’s marketing and promotion program provides for the development of lottery products and games, promotes the lottery, and recruits business retailers and vendors to sell lottery tickets. This program also contracts for the production of scratch tickets, which account for approximately 81.6 percent of all ticket sales. TLC is appropriated \$110.1 million for this program during the 2022–23 biennium.

TLC’s retailer bonus and incentive program manages activities that maximize revenue to the state by providing lottery sales agents with incentives and bonuses. The State Lottery Act establishes a minimum retailer commission of 5.0 percent of gross ticket sales; these funds are not included in TLC appropriations. Appropriations for TLC include an additional 0.5 percent of gross ticket sales annually to pay commissions to retailers for sales performance. TLC receives funding to provide additional compensation to retailers in the form of bonuses for selling high-tier prizes. TLC is appropriated \$63.4 million for retailer performance commissions and \$4.0 million for retailer bonuses for the 2022–23 biennium.

**FIGURE 307  
TEXAS LOTTERY SALES AND NET REVENUE  
2004–05 TO 2020–21 BIENNIA**



NOTES:

- (1) Amounts are calculated on an accrual accounting basis.
- (2) Amounts shown for the 2020–21 biennium are actual amounts.
- (3) Total Revenue includes revenue to the Foundation School Fund, and the General Revenue–Dedicated Accounts for Fund for Veterans’ Assistance and the State Owned Multicategorical Teaching Hospital.

SOURCE: Texas Lottery Commission.

**FIGURE 308  
TEXAS VETERANS COMMISSION LOTTERY REVENUE  
FISCAL YEARS 2014 TO 2021**

YEAR	NET PROCEEDS (IN MILLIONS)
2014	\$11.5
2015	\$13.1
2016	\$14.7
2017	\$16.2
2018	\$18.1
2019	\$19.4
2020	\$22.2
2021	\$23.4

NOTES:

- (1) Includes General Revenue–Dedicated Account transfers of unclaimed prize money to the Fund for Veterans’ Assistance (Other Funds).
- (2) Amounts determined on an accrual basis.

SOURCE: Texas Lottery Commission.

TLC’s advertising services are contracted through external vendors and include the planning, development, and implementation of lottery advertising through radio, television, Internet, experiential, and print media. TLC is

appropriated \$20.0 million for this purpose for the 2022–23 biennium. **Figure 309** shows TLC’s biennial advertising expenditures from 2010–11 to 2020–21.

TLC’s lottery operations program provides operations management, technical, administrative, and customer service support to all office locations, players, and retailers. This management and support includes the issuance of licenses to qualified lottery retailers and the enforcement of applicable state laws and agency rules. Texas will license an estimated 20,000 retailer business locations each fiscal year of the 2022–23 biennium. TLC is appropriated \$20.3 million for operation purposes for the biennium. The agency operates a security program to ensure the quality and integrity of the lottery drawings system and the physical security of operating sites. To enforce the State Lottery Act, the agency investigates possible criminal and regulatory violations relating to lottery games. TLC is appropriated \$15.1 million for this purpose for the 2022–23 biennium.

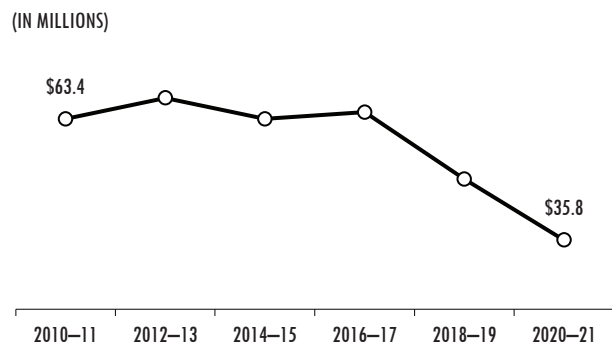
**CHARITABLE BINGO**

TLC operates the following four programs relating to charitable bingo: auditing; licensing services; accounting services; and education and training. TLC formerly operated the bingo prize fee allocations program. This program ceased on January 1, 2020, when the collection and transfer of these fees transitioned to licensed outside operators. TLC estimates that charitable organizations will receive approximately \$30.0 million each fiscal year from bingo events for the 2022–23 biennium. **Figure 310** shows charitable distributions for fiscal years 2015 to 2021.

TLC’s bingo auditing program ensures licensee compliance with applicable state laws and agency rules through inspections, reviews, audits, and complaint investigations. The agency estimates that 120 complaints will be completed each fiscal year of the 2022–23 biennium. TLC is appropriated \$2.6 million for the bingo auditing program for the 2022–23 biennium.

TLC’s licensing program includes the review of license applications and worker registrations to determine the eligibility of applicants to receive a license. The agency estimates that more than 11,000 licenses will be issued to individuals and organizations each fiscal year of the 2022–23 biennium. The accounting services program assists licensees with filing reports and managing their financial data, and analyzing data provided by licensed bingo conductors that do report positive net proceeds to assist them in reviewing

**FIGURE 309**  
**TEXAS LOTTERY ADVERTISING EXPENDITURES**  
**2010–11 TO 2020–21 BIENNIA**



NOTE: Amounts for the 2020–21 biennium are estimated.  
SOURCE: Texas Lottery Commission.

**FIGURE 310**  
**TEXAS BINGO SALES AND DISTRIBUTIONS TO CHARITABLE ORGANIZATIONS**  
**FISCAL YEARS 2015 TO 2021**

YEAR	(IN MILLIONS)	
	TOTAL SALES	CHARITABLE DISTRIBUTIONS
2015	\$753.3	\$29.0
2016	\$760.4	\$30.0
2017	\$763.2	\$30.4
2018	\$807.7	\$34.1
2019	\$849.7	\$31.2
2020	\$643.0	\$21.1
2021	\$887.0	\$31.3

SOURCE: Texas Lottery Commission.

their charitable bingo operations. The education and training program manages the education and development of all licensed organizations that conduct charitable bingo activities. TLC is appropriated \$1.3 million for the bingo licensing program, \$0.6 million for the accounting services program, and \$0.2 million for education and training programs for the 2022–23 biennium.

**ADMINISTRATION**

The final program area, administration, provides administrative and information technology support to the major programs administered by the agency. TLC is appropriated \$26.9 million for this purpose for the 2022–23 biennium.

## DEPARTMENT OF MOTOR VEHICLES

**PURPOSE:** Provide vehicle title and registration services, motor carrier registration and permitting, motor vehicle industry licensing and regulation, and other motor vehicle regulatory and enforcement services.

**ESTABLISHED:** 2009

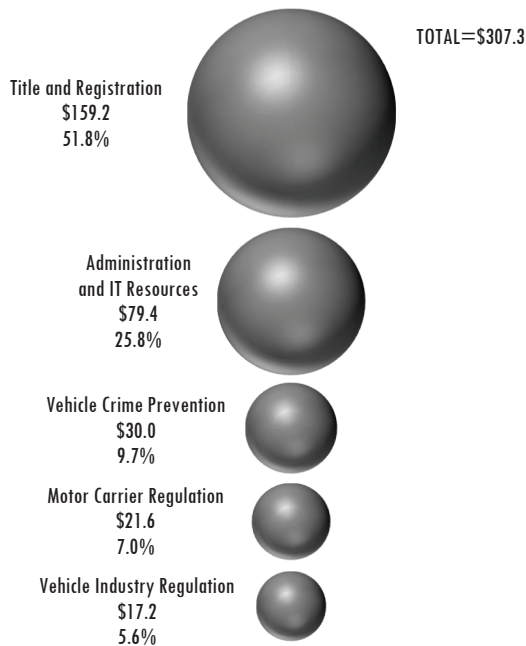
**AUTHORIZING STATUTE:** The Texas Transportation Code, §1001.002

**GOVERNANCE:** Department of Motor Vehicles Board—nine members appointed by the Governor with advice and consent of the Senate

**FIGURE 311**  
**DEPARTMENT OF MOTOR VEHICLES BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$34.2	\$30.0	(\$4.3)	(12.5%)	<table border="1"> <tr> <td>2022</td> <td>808.0</td> </tr> <tr> <td>2023</td> <td>808.0</td> </tr> </table>	2022	808.0	2023	808.0
2022	808.0								
2023	808.0								
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A					
Federal Funds	\$1.7	\$1.5	(\$0.2)	(10.9%)					
Other Funds	\$306.0	\$275.9	(\$30.1)	(9.8%)					
<b>Total, All Methods of Finance</b>	<b>\$341.9</b>	<b>\$307.3</b>	<b>(\$34.6)</b>	<b>(10.1%)</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Funding includes **\$30.0 million in General Revenue Funds** for **Motor Vehicle Crime Prevention** grants and administration, **an increase of \$5.6 million, or 22.8 percent**, from the 2020–21 biennium.

Appropriations in **House Bill 2, Eighty-seventh Legislature, Regular Session, 2021**, for fiscal year 2021 include **an increase of \$12.8 million in Other Funds** for planning and design of a **replacement headquarters building**, acquisition of an **accounts receivable system**, and expansion of the agency's **webSALVAGE application**.

NOTE: IT=information technology.  
SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Funding for the Department of Motor Vehicles (DMV) for the 2022–23 biennium represents a net decrease of \$34.6 million from the 2020–21 biennium. The decrease is due primarily to a decrease of \$19.6 million for information technology (IT) projects, including decreases of \$15.8 million (including \$9.9 million in General Revenue Funds and \$5.9 million in Other Funds) for TxDMV Automation Systems projects, \$2.7 million in Other Funds for onetime IT application and infrastructure improvements, and \$1.2 million for digital license plate implementation costs. The biennial funding decrease also includes decreases of \$5.0 million in Other Funds for facilities deferred maintenance and security system projects and \$2.4 million in Other Funds from decreased license plate, registration sticker, and parking placard production costs. These amounts are offset by an increase of \$5.6 million in General Revenue Funds for Motor Vehicle Crime Prevention Authority grants, including an increase of \$1.3 million to restore the 5.0 percent reductions from the 2020–21 biennium.

Funding for fiscal year 2021 includes supplemental appropriations totaling \$13.0 million in Other Funds, pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, including \$6.2 million for a replacement building at the agency's headquarters; \$3.5 million for acquisition of an accounts receivable system; \$3.1 million for the agency's webSALVAGE information technology project; and \$0.3 million to implement a system for extended county fleet vehicle registration, pursuant to Senate Bill 1064, Eighty-seventh Legislature, Regular Session, 2021.

## PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) vehicle titling and registration; (2) administration and information resource technology support; (3) motor vehicle crime prevention; (4) motor carrier regulation; and (5) vehicle industry regulation.

The agency's largest program area is vehicle titles and registration. The agency works in support of and in partnership with 254 tax assessor-collectors and their agents to administer motor vehicle titles and title fraud investigations, register vehicles, distribute license plates and registration insignia stickers, distribute parking placards for individuals with disabilities, and collect the related fees. This program includes the maintenance and enhancement of an automated vehicle registration and titling system used by the agency and the tax-assessor collectors in each county to account for the

titling and registration of vehicles, to collect related fees and taxes, and to provide access for law enforcement to vehicle ownership information. Additionally, this program area includes a compliance and investigations division to identify, investigate, and prevent motor vehicle-related fraud. The agency projects that approximately 7.9 million vehicle title transactions will be processed in each fiscal year, and a total of 26.5 million vehicles will be registered in Texas by the end of the 2022–23 biennium. Appropriations for vehicle titling and registration total \$159.2 million in Other Funds for the 2022–23 biennium.

The agency's administration and IT program area provides central administration, information resources, and other services to support the daily operations of all other DMV programs and the governing board of the DMV. The agency's central administration functions include executive administration, finance and accounting services, human resources, and legal support. The agency's information resources program provides support for the maintenance and enhancement of IT systems and equipment and management of IT projects throughout the agency. Other support services include agency facilities management, motor vehicle fleet, records retention, and mail operations. Appropriations for administration and IT support total \$79.4 million in Other Funds for the 2022–23 biennium, including \$49.8 million for information resources support and IT project management.

The Motor Vehicle Crime Prevention Authority (MVCPA) is composed of a seven-member board of directors, independent of the governing board of the DMV, appointed by the Governor with the advice and consent of the Senate. The MVCPA coordinates efforts within a network of law enforcement and judicial agencies, the insurance industry, and residents to reduce motor vehicle burglary and theft and fraud-related motor vehicle crimes through grants that fund motor vehicle crime reduction initiatives. Appropriations for MVCPA program grants and administration total \$30.0 million in General Revenue Funds for the 2022–23 biennium.

The agency's motor carrier regulation program provides for motor carrier registration services, oversize/overweight vehicle permitting, and enforcement. Motor carriers operating equipment with a gross vehicle weight exceeding 26,000 pounds, passenger bus operators, and household goods carriers operating in Texas are required to obtain a motor carrier registration with DMV. Additionally, DMV is responsible for the permitting, regulation, and routing of

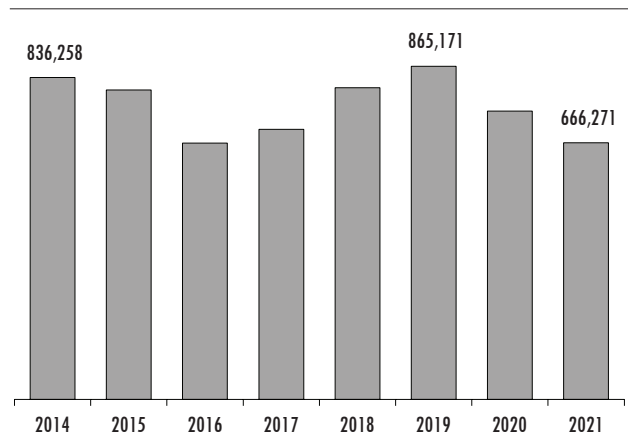
oversize and overweight vehicles on the state's highways to ensure the safety of the traveling public and protect the integrity of highways and bridges. **Figure 312** shows the number of oversize/overweight permits issued from fiscal years 2014 to 2021. DMV reported issuing 666,271 permits during fiscal year 2021, which represents a decrease of 23.0 percent from 865,171 permits issued in fiscal year 2019. The change in the number of permits issued closely correlates with economic factors, including public and private infrastructure investment, manufacturing, and energy exploration and development. Appropriations for the motor carrier regulation program total \$21.6 million in All Funds for the 2022–23 biennium.

The agency's motor vehicle industry regulation program provides for the licensing and regulation of motor vehicle dealers, manufacturers, salvage vehicle dealers, and a variety of other entities engaged in the motor vehicle sales and distribution industry. The agency is also responsible for enforcing the state's motor vehicle Lemon Law, which was established to assist consumers who have purchased or leased new vehicles with substantial defects in obtaining repair, replacement, or repurchase of those vehicles. Appropriations for motor vehicle industry regulation total \$17.2 million in Other Funds for the 2022–23 biennium.

## SIGNIFICANT LEGISLATION

**House Bill 3514 – Collection of Motor Vehicle Crime Prevention fee from insurers; authorizing a penalty.** The legislation requires the assessment of a penalty of 5.0 percent of the fee amount due from an insurer for the delinquent payment of the motor vehicle insurance fee required by the Texas Transportation Code, Section 1006.153, or for the delinquent filing of any report of the fee required by MVCPA rule. Of amounts collected from the penalty, the legislation requires 60.0 percent to be deposited to General Revenue–Dedicated Account No. 5111, Designated Trauma Facility and Emergency Medical Services, and the remainder to the General Revenue Fund, with half of the remainder (20.0 percent of penalty collections) dedicated for legislative appropriations to MVCPA. The legislation authorizes an insurer to appeal the assessment of the penalty to the MVCPA and requires the MVCPA to make the final decision on the appeal by a simple majority vote. The legislation authorizes the MVCPA to recover from an insurer requesting a refund of payment of the motor vehicle insurance fee any costs associated with a denied or improperly requested refund.

**FIGURE 312**  
**OVERSIZE/OVERWEIGHT PERMITS ISSUED**  
**FISCAL YEARS 2014 TO 2021**



SOURCE: Department of Motor Vehicles.

**House Bill 3927 – Establishing a maximum number of temporary motor vehicle tags that a dealer or converter may obtain.** The legislation authorizes DMV by rule to establish a maximum number of temporary tags that a motor vehicle dealer or converter may obtain during a calendar year. The legislation requires the maximum number of temporary tags established by DMV to be based on a dealer's or converter's anticipated need for temporary tags, taking into consideration their time in operation, sales data, and other market conditions affecting the dealer or converter. The legislation authorizes DMV to deny a dealer or converter access to the agency's temporary tag database if the agency determines that the dealer or converter is fraudulently obtaining temporary tags from the temporary tag database. The legislation would authorize a dealer or converter who is denied access to the database to request a hearing to contest the denial of access by DMV.

**Senate Bill 15 – The Texas Consumer Privacy Act Phase I, relating to the disclosure of certain personal information in connection with motor vehicle records and other records.** The legislation modifies provisions of the state's Motor Vehicle Records Disclosure Act to clarify the circumstances under which certain personal information in connection with a motor vehicle record obtained by an agency (including DMV, any state agency, or a political subdivision) may be disclosed. The legislation repeals an agency's authority to disclose such personal information to a requestor for use in motor vehicle market research and survey activities. The legislation requires an agency that provides a requestor access to personal information in motor vehicle

records under a bulk data contract to include certain provisions in the contract, including a prohibition on the sale or redisclosure of the information for use in marketing extended vehicle warranties by telephone; requires the requestor to post a performance bond in an amount not to exceed \$1.0 million and provide proof of general liability and cyberthreat insurance coverage of at least \$3.0 million; and requires the requestor to specify in each contract with a third party that receives personal information from the requestor that the third party must comply with federal and state laws regarding the information and protect the information using appropriate and accepted industry-standard security measures. The legislation requires an agency that discloses motor vehicle records to designate an employee to be responsible for monitoring compliance with the Motor Vehicle Records Disclosure Act and the contract terms required by this legislation. The legislation establishes a fine of up to \$100,000 for the unauthorized redisclosure of personal information by an authorized recipient or by an individual who receives personal information from an authorized recipient.



## TEXAS DEPARTMENT OF TRANSPORTATION

**PURPOSE:** Provide for planning, coordination, acquisition, construction, preservation, and operation of the state’s transportation systems and services.

**ESTABLISHED:** 1991

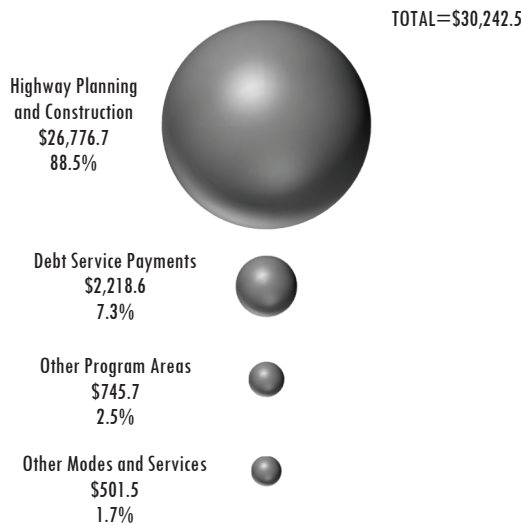
**AUTHORIZING STATUTE:** The Texas Transportation Code, Chapter 201

**GOVERNANCE:** Texas Transportation Commission—five members appointed by the Governor with advice and consent of the Senate

**FIGURE 313**  
**TEXAS DEPARTMENT OF TRANSPORTATION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS	
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE		
General Revenue Funds	\$18.6	\$2.4	(\$16.2)	(87.0%)		
General Revenue–Dedicated Funds	\$0.0	\$1.5	\$1.5	N/A		
Federal Funds	\$12,239.5	\$9,839.3	(\$2,400.2)	(19.6%)	<b>2022</b>	12,808.0
Other Funds	\$20,960.6	\$20,399.3	(\$561.4)	(2.7%)	<b>2023</b>	12,808.0
<b>Total, All Methods of Finance</b>	<b>\$33,218.7</b>	<b>\$30,242.5</b>	<b>(\$2,976.2)</b>	<b>(9.0%)</b>		

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations include an estimated **\$5.1 billion** from sales tax and motor vehicle sales and rental tax transfers to the State Highway Fund (Other Funds) pursuant to **Proposition 7, 2015**.

Appropriations include an estimated **\$4.5 billion** from oil and natural gas tax-related transfers to the State Highway Fund pursuant to **Proposition 1, 2014**.

Funding includes a **decrease of \$2.4 billion in Federal Funds** including decreases of **\$2.3 billion for highway planning and construction** and **\$156.9 million from funding related to the COVID-19 pandemic** for public transportation, general aviation, and reimbursements for agency response expenditures.

Appropriations in **House Bill 2 for fiscal year 2021** include an **increase of \$406.4 million in Other Funds for facilities construction and deferred maintenance, cybersecurity projects, and other major information technology initiatives**.

SOURCE: Legislative Budget Board.

**MAJOR FUNDING**

Appropriations for the Department of Transportation (TxDOT) for the 2022–23 biennium include a net decrease of \$3.0 billion in All Funds from the 2020–21 biennium. The decrease is related primarily to a net decrease of \$2.4 billion in Federal Funds, including an estimated decrease of \$2.3 billion in federal reimbursements for highway planning and construction project expenditures and a decrease of \$159.6 million in onetime federal funding related to the COVID-19 pandemic for rural public transportation, general aviation airports, and agency-estimated reimbursements for pandemic response expenditures. The funding change also includes decreases in Other Funds, consisting primarily of a decrease of \$326.0 million in Revenue Bond Proceeds for construction of the agency’s Austin Campus Consolidation project and a decrease of \$130.0 million in supplemental appropriations from the Economic Stabilization Fund for county transportation infrastructure grants (\$125.0 million) and for expansion of emergency and first responder facilities at the South Texas International Airport (\$5.0 million).

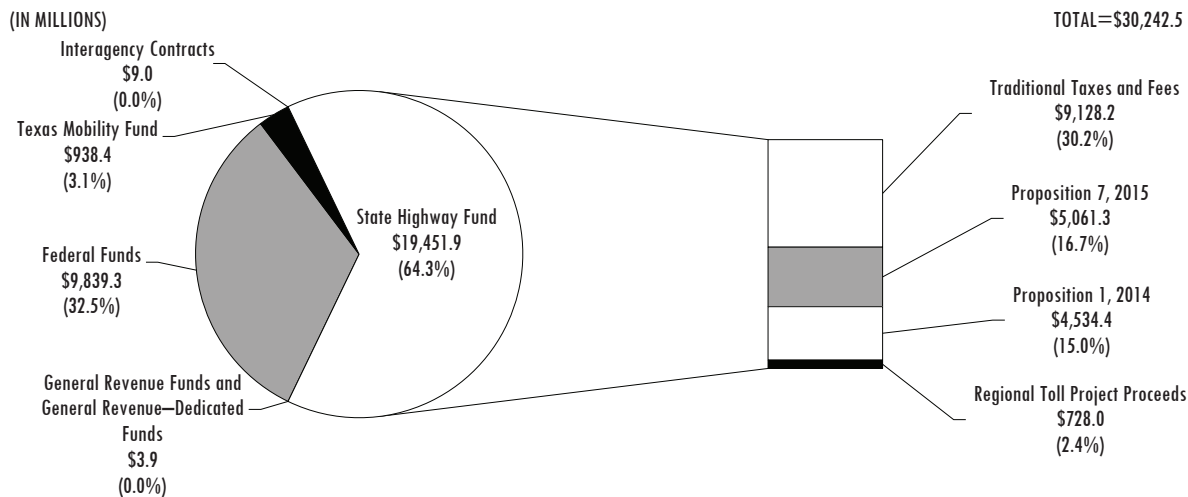
Funding from General Revenue Funds and General Revenue–Dedicated Funds includes a net decrease of \$16.2 million for the 2022–23 biennium. The decrease is due primarily to a decrease in onetime funding for improvements to the McKinney National Airport (\$14.2 million) and development of border inspection facilities on the state-owned South Orient Railroad (\$0.5 million). Funding also

includes a decrease of \$1.5 million in General Revenue Funds from Insurance Companies Maintenance Tax and Insurance Department Fees to be replaced with \$1.5 million in General Revenue–Dedicated Funds from Account No. 36, Texas Department of Insurance Operating Fund, in the 2022–23 biennium for ongoing maintenance of the state’s Crash Records Information System.

Funding for fiscal year 2021 includes supplemental appropriations totaling \$406.4 million in Other Funds, pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, including \$210.0 million for construction, deferred maintenance, and land acquisition for TxDOT buildings and facilities; \$136.8 million for major information technology projects related to legacy modernization, enterprise information management, and other technology replacements and upgrades; \$48.2 million for cybersecurity initiatives; and \$10.6 million for upgrades and improvements to the agency’s Centralized Accounting and Payroll/Personnel System.

Funding for TxDOT for the 2022–23 biennium includes \$20.4 billion in Other Funds (67.5 percent of total funding), including \$4.5 billion from oil and natural gas tax-related transfers (Proposition 1, 2014) to the State Highway Fund (SHF), \$5.1 billion from state sales tax and motor vehicle sales and rental tax deposits to the SHF (Proposition 7, 2015), and all SHF available from traditional transportation tax and fee revenue sources for the 2022–23 biennium (estimated to be \$9.1 billion). **Figure 314** shows agency appropriations by funding source for the 2022–23 biennium.

**FIGURE 314**  
**DEPARTMENT OF TRANSPORTATION FUNDING SOURCES, 2022–23 BIENNIUM**



NOTE: Amounts for the State Highway Fund and Texas Mobility Fund are estimated and exclude Federal Funds deposited to the credit of these funds.  
SOURCE: Legislative Budget Board.

Funding of \$26.8 billion in All Funds is provided for highway planning and design, right-of-way acquisition, construction, and maintenance and preservation, including:

- \$9.4 billion in Federal Funds;
- \$7.4 billion from the SHF (Other Funds) from traditional transportation tax and fee revenue sources;
- \$4.5 billion from state sales tax and motor vehicle sales and rental tax deposits to the SHF (Proposition 7, 2015);
- \$4.5 billion from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014);
- \$0.7 billion from the SHF from regional toll project proceeds; and
- \$0.2 billion from the Texas Mobility Fund (Other Funds).

The Texas Constitution requires the Comptroller of Public Accounts (CPA), beginning in fiscal year 2018, to deposit to the SHF \$2.5 billion of the net revenue derived from the state sales and use tax that exceeds the first \$28.0 billion collected in each fiscal year, and, beginning in fiscal year 2020, deposit to the SHF 35.0 percent of the net revenue derived from state motor vehicle sales and rental taxes that exceed the first \$5.0 billion collected in each fiscal year (Proposition 7, 2015). Based on the CPA's January 2021 Biennial Revenue Estimate (BRE), appropriations to TxDOT include \$5.0 billion from sales tax deposits (\$2.5 billion in each fiscal year) and \$61.3 million in motor vehicle sales and rental tax deposits to the SHF anticipated to occur during the 2022–23 biennium. The constitution specifies that these funds may be used to construct, maintain, and acquire rights-of-way for nontolled public roadways or to repay principal and interest on Proposition 12, 2007, General Obligation (GO) bonds. Funding from Proposition 7 proceeds for the 2022–23 biennium provides \$4.5 billion for development and delivery of nontolled highway projects and \$0.6 billion for debt service payments on Proposition 12 GO bonds.

The Texas Constitution requires the CPA in each fiscal year to transfer from the General Revenue Fund to the Economic Stabilization Fund (ESF) and the SHF 75.0 percent of the amounts by which tax collections from oil production and natural gas production in the previous fiscal year exceed the amounts collected in fiscal year 1987. The constitution requires one-half of that amount to be allocated to the ESF

and one-half to the SHF (Proposition 1, 2014), provided that oil and natural gas tax collections are sufficient and the fund balance of the ESF is greater than the sufficient balance amount determined by the CPA for the current fiscal biennium. Funding provides \$4.5 billion from Proposition 1 oil and natural gas tax-related revenue transfers to the SHF for development and delivery of nontolled highway projects, including an estimated \$2.9 billion from anticipated transfers to the SHF during the 2022–23 biennium, based on the CPA's May 2021 update to the January 2021 BRE, and an estimated \$1.6 billion in balances from prior years' transfers to the SHF.

Funding includes an increase of 281.0 full-time-equivalent (FTE) positions from the fiscal year 2021 position cap to provide additional staff for engineering operations, highway system maintenance, fleet operations, information resources, and other administrative support services.

## PROGRAMS

The agency carries out its responsibilities through four program areas: (1) highway planning and construction; (2) other transportation modes and services; (3) other program areas, including administrative and information resources support, traffic safety, government flight services, travel and tourism, and outdoor advertising regulation; and (4) debt service payments.

### HIGHWAY PLANNING AND CONSTRUCTION

The agency's largest program area is highway planning and construction. Major functions in this program area include transportation system planning and design, acquisition of rights-of-way, highway construction and preservation, routine system maintenance, and programs that provide state financial participation in the costs of developing tolled and nontolled roadway projects.

The agency's transportation planning and design function includes long-range road forecasting, preliminary road and bridge design, construction and environmental engineering, research and development, and other activities that contribute to the management and expansion of the state's transportation system. This function includes planning, design, management, and research activities carried out by agency staff and professional services performed by private contractors. Appropriations for transportation system planning and design total \$1.9 billion for the 2022–23 biennium. Funding for the 2022–23 biennium includes \$1.0 billion in All Funds and 4,676.0 FTE positions for work

performed by TxDOT staff, and \$0.8 billion in All Funds for contracted planning and design services.

The agency's right-of-way acquisition function includes the acquisition of rights-of-way and other real property interests for transportation projects, adjustment of utility facilities affected by transportation construction projects, and relocation assistance to displaced property owners and tenants of business and residential properties. Appropriations for right-of-way acquisition total \$1.4 billion in All Funds for the 2022–23 biennium.

The agency's highway construction and preservation function supports contracts for the construction and reconstruction of roads, bridges, and other facilities on the state highway system, and work associated with highway preventive maintenance and rehabilitation. The agency contracts with private firms for all highway and bridge construction projects. Funding for highway construction and preservation provides for payments to contractors for actual construction work performed. Appropriations for highway construction and preservation total \$19.5 billion in All Funds for the 2022–23 biennium. This amount includes \$4.5 billion from state sales tax and motor vehicle sales and rental tax deposits to the SHF (Proposition 7, 2015) and \$4.5 billion from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014) for constructing, maintaining, and acquiring rights-of-way for nontolled public roadways. The agency estimates awarding 1,491 new highway construction contracts during the 2022–23 biennium.

The agency's routine transportation system maintenance function provides routine and preventive maintenance of roadway surfaces, bridges, highway markings, and traffic signal systems. Other routine maintenance activities include roadside mowing, litter removal, rest area maintenance, emergency repairs, and ferry facilities maintenance. Routine transportation system maintenance is the agency's largest function in terms of the number of employees involved; it includes work performed by agency staff and contractors. Appropriations for routine transportation system maintenance total \$3.4 billion in Other Funds for the 2022–23 biennium (including \$1.7 billion for contracted routine maintenance and \$1.7 billion for activities to be performed by TxDOT personnel) and provides for 6,257.0 FTE positions.

Appropriations for highway planning and construction also include \$0.6 billion in All Funds for the 2022–23 biennium for programs that support the following activities: (1) pass-

through financing to reimburse local governments for their participation in the development of state highway improvement projects; (2) state participation in the costs of local toll projects; and (3) loans to local governments to finance eligible highway projects through the federally authorized State Infrastructure Bank.

#### **OTHER TRANSPORTATION MODES AND SERVICES**

The agency is also responsible for other transportation modes and services, including public transportation, aviation, ferry operations, rail, and maritime transportation.

The agency's public transportation program promotes public transportation projects by distributing state and federal grants and assisting small urban and rural transportation providers, communities, nonprofit organizations, and political subdivisions in the development and delivery of public transportation services. The agency distributes federal and state grants to 36 rural transit districts (serving areas with populations of less than 50,000), 22 small urban transit districts (serving areas with populations from 50,000 to 199,999), and nine large urban transit districts (serving areas with populations of 200,000 or more) to provide funding for transit operating expenses and capital projects such as transit vehicle replacement. Appropriations for public transportation total \$210.2 million in All Funds for the 2022–23 biennium.

The agency's aviation services program provides state and federal financial and technical assistance to Texas communities for airport development, maintenance, and capital improvement. The agency also acts as the agent of the state and each political subdivision in applying for, receiving, and disbursing federal aviation funds for the state's general aviation, reliever, and nonprimary commercial service airports. The agency anticipates approving 70 grants for airport capital improvements during each fiscal year of the 2022–23 biennium. Appropriations for aviation services total \$168.4 million in All Funds for the 2022–23 biennium.

The agency operates two toll-free ferry systems that connect Port Aransas to Aransas Pass and Galveston Island to the Bolivar Peninsula. The ferry services transport vehicles and passengers across these routes 24 hours a day, seven days a week. Appropriations for ferry operations total \$100.4 million in Other Funds for the 2022–23 biennium.

The agency's rail transportation program oversees state rail planning, research, and contracts for rail facility improvements; manages the state-owned South Orient

Railroad, which extends west 391.0 miles from Coleman County to the Texas–Mexico Border at Presidio; and conducts rail safety inspections to ensure compliance with state and federal regulations. Appropriations for rail transportation total \$20.4 million in All Funds for the 2022–23 biennium.

The agency’s maritime program administers the state’s responsibility as the nonfederal sponsor of the portion of the Gulf Intracoastal Waterway that extends 406.0 miles from the Sabine River to the Brownsville Ship Channel along the Texas coast. The agency provides support for navigation along the waterway by determining methods to dredge the waterway to maintain its depth and acquiring sites to dispose of dredged material. Appropriations for supporting the Gulf Intracoastal Waterway total \$2.2 million in Other Funds for the 2022–23 biennium.

#### **OTHER PROGRAM AREAS**

Other programs and activities carried out by the agency include promoting traffic safety, providing travel and tourism information, providing government flight transportation services and maintenance for state-owned aircraft, regulating outdoor advertising, and providing administrative and information resources support for all agency programs.

The agency’s traffic safety program coordinates efforts and activities to reduce the number and severity of traffic crashes, injuries, and fatalities. The program provides state and federal grant funding to state agencies, local jurisdictions, and private nonprofit organizations for projects focusing on vehicle occupant protection, selective traffic enforcement, impaired driving, and other roadway safety education and awareness efforts. The agency is also responsible for collecting and maintaining motor vehicle traffic crash information submitted by law enforcement agencies across the state. Appropriations for traffic safety total \$125.3 million in All Funds for the 2022–23 biennium.

The agency administers travel information programs that support and promote tourism in the state and travel on Texas roadways. The agency operates 12 travel information centers across the state that provide roadway, travel, and tourism information to the media and the public. In addition, the agency publishes the monthly *Texas Highways* magazine, an official state travel map, and other travel guides. The agency’s travel information program also provides highway condition information to the public online and through a toll-free telephone service. Appropriations for travel information total \$39.8 million in All Funds for the 2022–23 biennium.

The agency’s flight services program serves as a point of coordination for state officials and agencies for the use and maintenance of state-owned aircraft. The agency maintains and operates a fleet of aircraft to provide air travel services to state officials, employees, or sponsored contractors traveling on official state business. Additionally, the agency provides maintenance services, fuel, hangar space, and other services to support the maintenance and operation of state-owned aircraft. Appropriations for flight services total \$9.0 million in Other Funds for the 2022–23 biennium.

The agency’s outdoor advertising regulation program regulates the display of off-premise outdoor advertising signs located within 660.0 feet of the right-of-way of certain highways in urban areas or visible from the main traveled way of highways located outside of urban areas. The agency is required by federal and state law to control outdoor advertising along regulated highways. Before installing or maintaining a sign or billboard, an individual or company must obtain an outdoor advertising license and a sign permit from TxDOT. Appropriations for outdoor advertising regulation total \$3.0 million in Other Funds for the 2022–23 biennium.

Other program areas include central administration, information resources, and other services to support the daily operations of all other TxDOT programs and the Texas Transportation Commission (TTC). The agency’s central administration functions include executive administration, finance and accounting services, planning and policy development, government and public affairs, human resources, and legal support. The agency’s information resources program provides for the planning, management, and operation of information technology systems and equipment. Other support services include purchasing and contract services, property management, vehicle fleet maintenance, document and records management, printing services, and internal mail operations. Appropriations for administrative and information resource support services total \$568.6 million in Other Funds for the 2022–23 biennium.

#### **DEBT SERVICE**

The agency’s debt service program area provides funding for debt service payments and other financing costs associated with bond obligations, short-term borrowing, and other credit agreements issued by the TTC. With TTC’s authority, the agency administers three major bond programs secured by and payable from funds in the state Treasury, including Texas Mobility Fund bonds, SHF Revenue bonds

(Proposition 14, 2003), and Highway Improvement GO bonds (Proposition 12, 2007). The agency also is authorized to enter into agreements for short-term borrowing to facilitate cash management operations and address fluctuations in the cash balance of the SHF. Appropriations for debt service payments and associated financing costs total \$2.2 billion in All Funds for the 2022–23 biennium.

**PRIMARY FUNDING SOURCES**

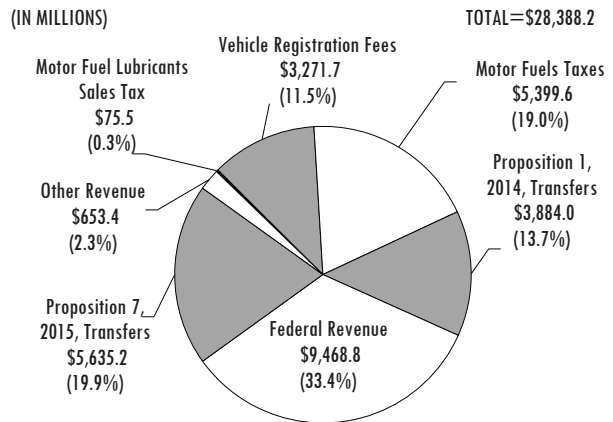
**STATE HIGHWAY FUND**

The SHF is the agency’s primary source of appropriations and operating funds for most of the agency’s programs. Appropriations from the SHF, excluding federal revenue deposited to the fund, total \$19.5 billion for the 2022–23 biennium (64.3 percent of total appropriations) based on the Comptroller of Public Accounts’ Biennial Revenue Estimate and estimated beginning SHF balances for the 2022–23 biennium. The SHF is not established or dedicated by the Texas Constitution, but certain revenue sources deposited to the fund are dedicated by the constitution for acquiring rights-of-way; constructing, maintaining, and policing public roadways; and for the administration of laws pertaining to the supervision of traffic and safety on public roadways. Money in the fund that the constitution does not require to be spent on public roadways may be used for any function performed by TxDOT. Revenues in the SHF that are dedicated by the constitution for public roadway purposes include motor fuels taxes, vehicle registration fees, general sales taxes, motor vehicle sales and rental taxes, sales taxes on motor fuel lubricants, oil and natural gas tax-related transfers to the fund, and federal reimbursement receipts for highway expenditures. Other statutory fees deposited to the fund that are not dedicated by the constitution include special vehicle permit fees and other fees associated with administrative and regulatory functions carried out by TxDOT and other agencies. **Figure 315** shows the estimated revenue to the SHF by revenue source for the 2022–23 biennium based on the Comptroller of Public Accounts’ *Certification Revenue Estimate*.

**TEXAS MOBILITY FUND**

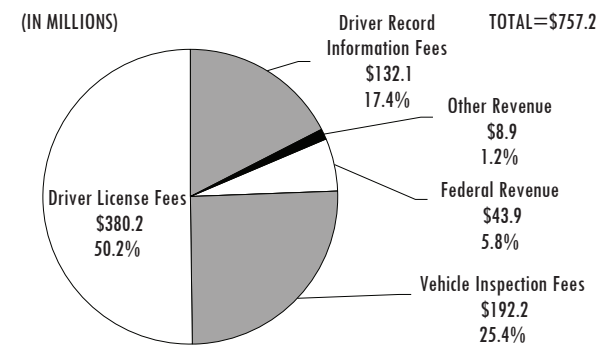
The Texas Mobility Fund (TMF) is established by the constitution as a revolving fund to provide financing for construction, reconstruction, acquisition, and expansion of state highways, and state participation in the costs of publicly owned toll roads and other public transportation projects. The constitution authorizes the Legislature to dedicate to the

**FIGURE 315  
STATE HIGHWAY FUND REVENUE SOURCES  
2022–23 BIENNIUM**



NOTES:  
 (1) Amounts are estimated.  
 (2) The amount for Proposition 1, 2014, represents estimated oil and natural gas tax-related transfers to the State Highway Fund (SHF).  
 (3) The amount for Proposition 7, 2015, represents estimated sales tax transfers to the SHF.  
 SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

**FIGURE 316  
TEXAS MOBILITY FUND REVENUE SOURCES  
2022–23 BIENNIUM**



NOTE: Amounts are estimated.  
 SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

fund any taxes or other revenues that are not otherwise dedicated to the SHF. Additionally, the constitution authorizes the Legislature to authorize TTC, by general law, to issue bonds and enter into other credit agreements secured by and payable from a pledge of money in the fund. Revenues dedicated to the fund include driver license fees, driver record information fees, motor vehicle inspection fees, and various other revenues related to transportation. **Figure 316** shows the estimated revenue to the TMF by revenue source for the 2022–23 biennium.

**FIGURE 317**  
**DEPARTMENT OF TRANSPORTATION BOND PROGRAM SUMMARY, AS OF DECEMBER 1, 2021**

(IN MILLIONS)

PROGRAM	YEAR AUTHORIZED	TOTAL AUTHORIZED AND ISSUED	PRINCIPAL OUTSTANDING	REMAINING REPAYMENTS (3)
Texas Mobility Fund	2001	\$7,390.6	\$5,803.6	\$8,430.0
Proposition 14	2003	\$6,000.0	\$3,312.9	\$4,070.0
Proposition 12 (2)	2009	\$5,000.0	\$3,478.6	\$5,002.0

NOTES:

- (1) Amounts represent total debt authorized and issued, outstanding principal, and repayments remaining as of December 1, 2021.
- (2) The Proposition 12 constitutional amendment was approved by voters in 2007. However, the Legislature did not pass enabling legislation authorizing the issuance of Proposition 12 bonds until 2009.
- (3) Remaining repayment amounts include repayments of outstanding principal plus estimated interest payments on fixed-rate and variable-rate debt through fiscal year 2046.

SOURCES: Legislative Budget Board; Department of Transportation.

### FEDERAL FUNDS

Federal Funds account for 32.5 percent of the agency's total appropriations for the 2022–23 biennium. Of these funds, \$9.4 billion, or 95.3 percent, are for highway planning and construction. The remaining Federal Funds appropriations consist of funding for public transportation, general aviation, traffic safety programs, rail transportation studies and capital improvements, and debt service subsidies for bonds issued in accordance with the Build America Bonds program. Federal aid for transportation is typically distributed to states in the form of reimbursements of state expenditures for eligible projects. As work is completed and payments are made, the state is reimbursed in accordance with the federal–state participation matching ratios established for the federal program categories, typically 80.0 percent federal match for federal aid highway projects.

### BOND PROGRAMS

The Texas Constitution and state law authorize TTC to administer bond programs. The agency administers three such major bond programs, which are used as a method of financing for transportation projects: (1) TMF bonds; (2) SHF Revenue (Proposition 14, 2003) bonds; and (3) Highway Improvement GO (Proposition 12, 2007) bonds.

TMF bonds are secured by revenue deposited to the TMF and backed by the full faith and credit of the state. Proposition 14 bonds are secured by and payable from revenue in the SHF. Proposition 12 bonds are GO bonds backed by the full faith and credit of the state and payable from General Revenue Funds.

TTC is authorized to issue debt obligations in aggregate amounts not to exceed \$6.0 billion for Proposition 14 bonds and \$5.0 billion for Proposition 12 bonds. The issuance of

TMF bonds is not limited to a specific aggregate cap but is limited by statutory debt service coverage requirements based on the Comptroller of Public Accounts' certified estimate of revenue dedicated to the fund. As of the end of the 2016–17 biennium, TTC has issued all authorized debt for each of the three bond programs. No bond proceeds from these three programs are included in the agency's appropriations for the 2022–23 biennium.

**Figure 317** shows each bond program, including the amounts of debt authorized and issued, outstanding principal, and total principal and interest repayments remaining as of December 1, 2021.

### SIGNIFICANT LEGISLATION

**House Bill 2219 – Issuance of Texas Mobility Fund (TMF) Bonds.** The legislation repeals a prohibition on the authority of the Texas Transportation Commission (TTC) to issue new TMF Bonds from the effective date of the legislation until January 1, 2027. The legislation specifies that the aggregate principal amount of new TMF obligations that may be issued after May 31, 2021, may not exceed an amount equal to 60.0 percent of the outstanding principal amount of TMF obligations existing on May 1, 2021. The legislation also repeals statutory provisions that authorized the issuance of TMF obligations to provide state participation in payment of part of the costs of constructing and providing publicly owned toll roads. TTC previously was authorized to issue TMF obligations only for the purposes of refunding outstanding TMF obligations after January 1, 2015.

**House Bill 2223 – Requiring a study on the effects of certain classifications of motor vehicles on Texas roads and bridges.** The legislation requires TxDOT, in consultation with the Texas A&M Transportation Institute and the

University of Texas Center for Transportation Research, to conduct a study on the effects on Texas roads and bridges by motor vehicles classified as passenger vehicles, commercial motor vehicles, and oversize or overweight vehicles, and submit a written report of the study no later than December 1, 2022, to the Governor, Lieutenant Governor, and the Legislature. For each classification of vehicle, the study shall determine the annual number of vehicles that drive and annual number of miles driven on the state's roads and bridges; the total contribution from taxes and fees to road and bridge construction and maintenance; and the financial impact due to costs associated with construction and maintenance and congestion on Texas roads and bridges. The study also shall compare the vehicles' tax and fee contributions to the financial impacts. The legislation requires the study to recommend changes to existing tax or fee structures to ensure each classification of vehicle contributes revenue to fund road and bridge construction and maintenance in an amount at least equal to the financial impact of the vehicle classification on Texas roads and bridges.

**House Bill 3390 – Purchase of cybersecurity insurance coverage by TxDOT.** The legislation authorizes TxDOT to purchase insurance coverage that the agency considers necessary to protect against liability, revenue, and property losses that may result from a data breach or cyberattack. The legislation specifies that the insurance may include coverage for business and dependent business interruption loss, breach response, data recovery, cyberextortion or ransomware response, fiduciary liability, media liability, professional liability, or expenses for general incident management, such as investigation, remediation, and notification.

**House Bill 4472 – Relating to the Texas Emissions Reduction Plan (TERP) and the disposition of vehicle title fees.** The legislation amends various statutory provisions affecting the funding for and administration of TERP by the Texas Commission on Environmental Quality (TCEQ). Beginning in fiscal year 2022, the legislation redirects the deposit of a portion of the state vehicle certificate of title fees previously deposited to the TMF to the TERP Fund held outside the state Treasury. The legislation requires TxDOT to remit monthly to the Comptroller of Public Accounts (CPA) money from the SHF for deposit to the TMF in an amount equal to the title fees deposited to the TERP Fund in the preceding month. The portion of certificate of title fees previously was deposited to the TMF, and TxDOT was required to remit an amount of SHF money to the CPA for deposit to the

TERP Fund in an amount equal to the fees deposited to the TMF. The legislation requires TCEQ to transfer to the SHF the unencumbered balance of the TERP Fund remaining at the end of the state fiscal biennium for use by TxDOT for congestion mitigation and air quality projects in areas of the state defined by the U.S. Environmental Protection Agency as nonattainment areas for National Ambient Air Quality Standards.

**Senate Bill 941 – Adoption of a state scenic byways program.** The legislation requires TxDOT, no later than December 1, 2021, to establish a state scenic byways program to enable the state and local communities to participate in the National Scenic Byway program. The program must include a process by which TxDOT can receive proposals from political subdivisions or community groups for funding projects in accordance with the National Scenic Byway program, apply for federal grants for the projects, and enable a consenting applicant to pay for costs of a project that are not covered by federal grants. The legislation provides that TxDOT may designate as a State Scenic Byways only specific roadways listed in current state law. The legislation requires TTC by rule to prohibit outdoor advertising in a manner consistent with federal law on a designated State Scenic Byway.

**Senate Bill 1474 – Establishing the I-27 Advisory Committee.** The legislation establishes an Interstate 27 Advisory Committee to provide TxDOT with information on concerns and interests along the Ports-to-Plains Corridor and advise on transportation improvements impacting the corridor. The committee includes 23 members, including 10 county judges or their designees from certain counties along the corridor; the mayor, city manager, or assistant city manager of seven cities (Amarillo, Big Spring, Del Rio, Laredo, Lubbock, Midland, and San Angelo); and six members to be selected by the city members, including three economic development professionals, and three members representing the agriculture industry, international trade, and the energy industry. The legislation requires the advisory committee to meet at least twice each state fiscal year and at other times requested by TxDOT or the advisory committee chairperson.



## TEXAS WORKFORCE COMMISSION

**PURPOSE:** Support an effective workforce system that provides economic opportunity for employers, individuals, and communities, and administer the state Child Care and Unemployment Insurance programs.

**ESTABLISHED:** 1995

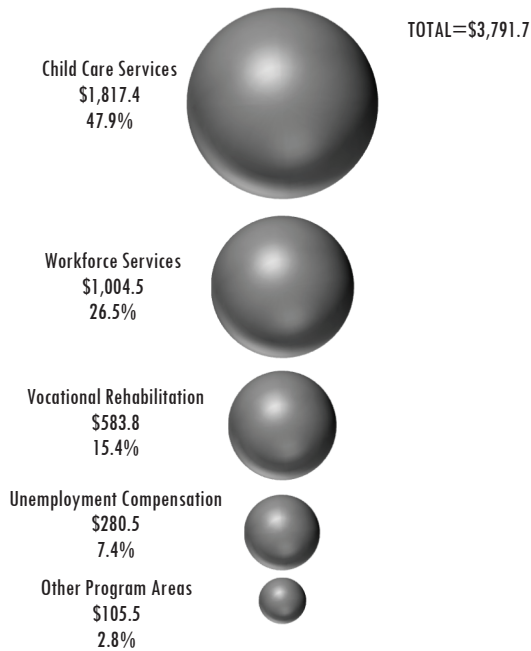
**AUTHORIZING STATUTE:** The Texas Labor Code, §301.001

**GOVERNANCE:** Texas Workforce Commission—three members appointed by the Governor with advice and consent of the Senate

**FIGURE 318**  
**TEXAS WORKFORCE COMMISSION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$390.4	\$379.0	(\$11.4)	(2.9%)	<b>2022</b> 4,871.5  <b>2023</b> 4,871.5
General Revenue–Dedicated Funds	\$13.3	\$11.7	(\$1.5)	(11.6%)	
Federal Funds	\$3,698.9	\$3,234.8	(\$464.1)	(12.5%)	
Other Funds	\$239.6	\$166.1	(\$73.5)	(30.7%)	
<b>Total, All Methods of Finance</b>	<b>\$4,342.2</b>	<b>\$3,791.7</b>	<b>(\$550.5)</b>	<b>(12.7%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Texas Workforce Commission is appropriated an **increase of \$24.0 million** in the federal **Child Care and Development Block Grant** to provide additional subsidized childcare services for low-income families.

Appropriations include a **net decrease of \$464.1 million** in **Federal Funds** related to **onetime awards from the Coronavirus Relief Fund in the 2020–21 biennium**. Overall, Federal Funds contribute 85.3 percent of the agency's total appropriation.

Appropriations include a **decrease of \$73.5 million** in **Other Funds** to **align Interagency Contract transfers with cost projections for child care** purchased by the Department of Family and Protective Services for certain children.

SOURCE: Legislative Budget Board.

### MAJOR FUNDING

Funding for the Texas Workforce Commission (TWC) includes a net decrease of \$550.5 million in All Funds from 2020–21 biennial funding levels. The decrease in funding is related primarily to a \$499.6 million decrease in onetime Federal Funds awarded from the Coronavirus Relief Fund (CRF) and a \$73.5 million decrease in an Interagency Contract transfer to align with projected childcare costs at the Department of Family and Protective Services. Changes in other federal grants not related to the CRF amounted to a net increase of \$35.5 million. This amount includes an increase of \$24.0 million in the federal Child Care and Development Block Grant. Other significant changes in federal grants include an increase of \$46.2 million in the federal State Vocational Rehabilitation Services grant, of which a portion will be used to replace the Case Management and Monitoring System used to assist staff in determining eligibility, case management, data entry and capture, and reporting. Overall, Federal Funds account for \$3,234.8 million, or 85.3 percent, of the agency’s total appropriation. **Figure 319** shows the agency’s appropriations of Federal Funds by program.

Funding also includes an increase of \$8.0 million for the implementation of an Employer and Community Based Organization Partnerships program and \$0.6 million in General Revenue Funds for grants to facilitate the participation of certain veterans and military personnel in apprenticeship training programs.

The agency’s functions occur at the statewide level and at 28 designated local Workforce Development Boards (LWDB) that deliver workforce and support services at the local level. Approximately 53.3 percent of TWC’s All Funds appropriations are in the form of block grant allocations to the LWDBs for the 2022–23 biennium.

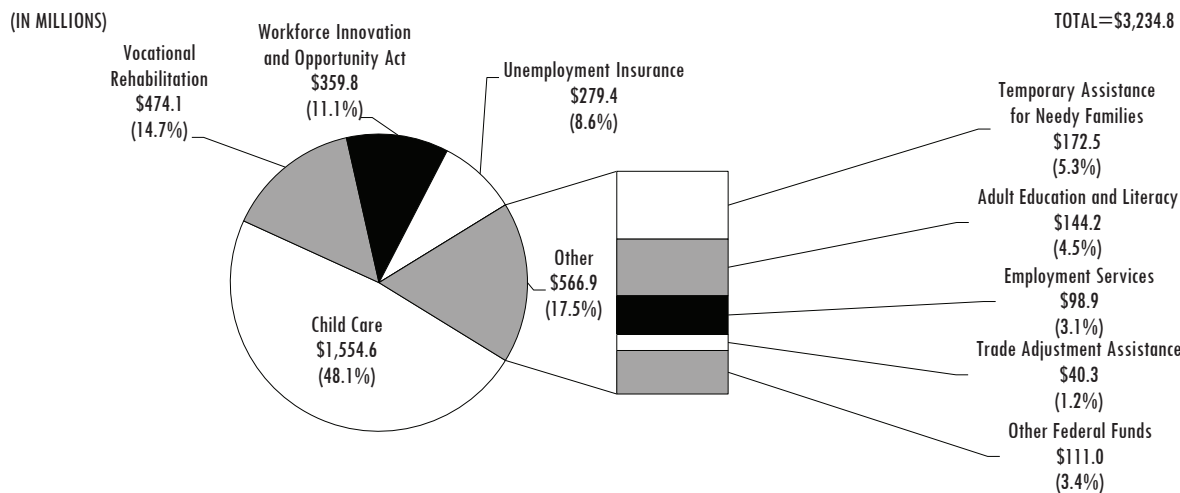
### PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) workforce services; (2) childcare services; (3) vocational rehabilitation; (4) unemployment compensation; and (5) other program areas.

#### WORKFORCE SERVICES

The workforce services program area at TWC consists of 10 programs that support the workforce system established to offer employers, individuals, and communities the opportunity to achieve and sustain economic independence. This area includes the following programs: (1) Workforce Innovation and Opportunity Act (WIOA); (2) Temporary Assistance for Needy Families (TANF) Choices; (3) Supplemental Nutrition Assistance Program (SNAP) employment and training; (4) employment services; (5) trade adjustment assistance; (6) adult education and literacy; (7) skills development; (8) TANF self-sufficiency; (9) apprenticeship; and (10) senior community service employment program. Appropriations for workforce services total \$1,004.5 million in All Funds for the 2022–23 biennium.

**FIGURE 319**  
**TEXAS WORKFORCE COMMISSION FEDERAL FUNDS BY PROGRAM, 2022–23 BIENNIUM**



NOTE: Excluded are federal funds from Supplemental Nutrition Assistance Program Employment and Training, which are represented as Other Funds in the Texas Workforce Commission’s (TWC) bill pattern due to an Interagency Contract between TWC and the Health and Human Services Commission required by federal regulations.  
SOURCE: Legislative Budget Board.

**FIGURE 320**  
**TEXAS WORKFORCE COMMISSION WORKFORCE SERVICES PROGRAMS, 2022–23 BIENNIUM**

PROGRAM	APPROPRIATION (IN MILLIONS)	PERCENTAGE OF APPROPRIATION FEDERALLY FUNDED
Workforce Innovation and Opportunity Act	\$359.8	100.0%
TANF Choices (1)	\$190.2	88.1%
SNAP Employment and Training (2)	\$41.4	78.6%
Employment Services	\$111.6	88.6%
Trade Adjustment Assistance	\$40.3	100.0%
Adult Education and Literacy	\$165.5	87.1%
Skills Development	\$54.8	0.0%
TANF Self-Sufficiency	\$4.9	100.0%
Apprenticeship	\$26.7	68.1%
Senior Community Service Employment	\$9.1	98.3%
<b>Total</b>	<b>\$1,004.5</b>	<b>83.9%</b>

## NOTES:

(1) TANF=Temporary Assistance for Needy Families.

(2) Supplemental Nutrition Assistance Program (SNAP) Employment and Training is a federally funded program; however, the program's funding is represented as Other Funds in the Texas Workforce Commission's (TWC) bill pattern due to an Interagency Contract between TWC and the Health and Human Services Commission required by federal regulations.

(3) Amounts may differ due to rounding.

SOURCE: Legislative Budget Board.

**FIGURE 321**  
**TEXAS WORKFORCE COMMISSION SELECTED PERFORMANCE MEASURES, FISCAL YEARS 2017 TO 2023**

MEASURE	2017	2018	2019	2020	2021	2022	2023
Entered Employment Rate	69.5%	69.9%	69.0%	69.8%	60.4%	66.8%	68.1%
Employment Retention Rate	84.0%	84.3%	84.0%	84.6%	78.2%	82.5%	83.4%
Percentage of Unemployment Insurance Claimants Paid Timely	95.3%	96.6%	96.0%	92.0%	85.9%	96.0%	96.0%
Average Number of Children Served per Day, At-risk and Transitional Services	83,952	88,613	111,695	117,121	105,182	97,067	91,611
Average Number of Children Served per Day, Temporary Assistance for Needy Families Choices and Other Mandatory Services	14,059	19,221	20,396	13,480	7,114	12,499	12,499

NOTE: Amounts for fiscal years 2022 and 2023 are estimated.

SOURCE: Legislative Budget Board.

Of the workforce services programs, funding for WIOA, TANF Choices, SNAP employment and training, employment services, and trade adjustment assistance programs are provided as allocations to the LWDBs that administer the programs. The remaining programs, including adult education and literacy, skills development, TANF self-sufficiency, apprenticeship, and senior community service employment program, are administered at the state level. **Figure 320** shows biennial appropriations by workforce services program. **Figure 321** shows select performance measures related to these programs.

The goal of the WIOA program is to improve the quality of the adult workforce, decrease welfare dependency, reemploy dislocated workers, enhance economic productivity and competitiveness, and to assist eligible youth in acquiring skills, training, and support needed to successfully transition to careers and productive adulthood. TWC allocates WIOA funds to LWDBs to contract for training services, workforce services, and maintenance of the Workforce Solutions offices. Approximately 24,000 adults are estimated to participate in the WIOA program each year.

LWDBs also provide job readiness and job training services through the TANF Choices and SNAP employment and training programs. TANF Choices assists applicants, recipients, and former recipients of TANF cash assistance in transitioning from welfare to work through participation in work-related activities and is expected to serve approximately 22,000 participants each year. SNAP employment and training assists SNAP recipients in working toward becoming self-sufficient and is expected to serve approximately 31,500 participants each year.

The employment services program provides a variety of employment-related services to the public, including job search assistance, job referral, and reemployment services for unemployment benefit claimants. Although job search and recruitment assistance services are provided physically through the state's network of LWDBs, approximately 634 agency employees administer these services. This program utilizes partnerships between community-based organizations and employers to assist Texans in securing permanent employment. In addition, employment services funding is provided to develop programs for women entering careers in Texas manufacturing and technology.

Pursuant to the federal Trade Adjustment Assistance Act, TWC provides funding to the LWDBs to provide training, case management, job search, and related service to qualified laid-off workers that are included in trade positions certified by the U.S. Department of Labor through the trade adjustment assistance program.

At the state level, the adult education and literacy program assists adults in becoming literate and obtaining the knowledge and skills necessary for employment and self-sufficiency. The program provides English language, reading, writing, and math instruction to help adults succeed in the workforce, earn a high school equivalency, or enter college or career training. The agency anticipates serving approximately 72,000 students each year.

Both the skills development and TANF self-sufficiency programs respond to the workforce needs of Texas employers and industries by providing grants to community colleges and technical schools to fund customized training programs tailored to new or existing jobs with local employers. The TANF self-sufficiency program requires all participating trainees to be current or potential TANF recipients. TANF trainees obtain industry-recognized certificates and credentials that lead to permanent, full-time employment.

The Jobs and Education for Texans (JET) program distributes grants to public community colleges, state and technical colleges, school districts, and open-enrollment charter schools to assist with start-up costs of equipment purchases or upgrades for career and technical education programs related to high-demand occupations.

The apprenticeship program prepares individuals for occupations in skilled trades and crafts by combining paid on-the-job training with the supervision of experienced journey workers, with related classroom instruction that typically lasts three to five years. The program will serve an anticipated 10,200 students each year. The senior community service employment program funds public or community service jobs for economically disadvantaged citizens age 55 or older to enhance individual economic self-sufficiency.

#### **CHILDCARE SERVICES**

The second program area provides childcare services to eligible recipients. These childcare services enhance education and job training services provided to public assistance recipients and low-income individuals with children by enabling the participants to remain employed or to complete education and skills training. In addition to providing subsidized childcare, the agency supports childcare providers participating in early childhood school readiness models and professional development programs for early childhood education professionals.

TWC allocates a portion of total childcare appropriations to each LWDB along with a performance target for the number of children served. In turn, the LWDBs use these parameters to work with local childcare service providers to reimburse services rendered at a rate not to exceed a maximum reimbursement rate set by the LWDB. In addition, the Department of Family and Protective Services (DFPS) reimburses TWC for childcare services provided to children that are determined eligible for protective services by DFPS.

The childcare services are funded primarily at the federal level. These services form the largest single program funded at TWC, with appropriations totaling \$1,817.4 million, or 47.9 percent of the agency's funding in All Funds, for the 2022–23 biennium. Funds from the Child Care and Development Block Grant contribute most of the federal funding received and utilized for childcare services.

### **VOCATIONAL REHABILITATION**

The vocational rehabilitation program primarily consists of three programs, including: (1) vocational rehabilitation; (2) Business Enterprises of Texas (BET); and (3) BET Trust Fund. These programs transferred to TWC during fiscal year 2017 from the Department of Assistive and Rehabilitative Services.

The vocational rehabilitation program is the largest of these programs and appropriations total \$577.0 million in All Funds for the 2022–23 biennium. The program assists disabled Texans in achieving employment through individualized services and job placement assistance services. The agency anticipates serving approximately 60,000 customers each year. The BET program develops and maintains business management opportunities for legally blind persons in food-service operations and vending facilities located on public and private properties. The BET Trust Fund program establishes and maintains a retirement and benefit plan for licensed managers within the BET program. The BET program is appropriated \$6.0 million in All Funds, and the BET Trust Fund is appropriated \$0.8 million in General Revenue–Dedicated Funds for the 2022–23 biennium.

### **UNEMPLOYMENT COMPENSATION**

The agency also administers the state's Unemployment Compensation program, which collects payroll taxes from the state's employers and provides monetary assistance to persons unemployed through no fault of their own. The program promotes economic stability by preserving buying power in communities experiencing an economic downturn and includes an appellate component through which a claimant or employer may appeal a determination of benefit rights. TWC is responsible for measuring the propriety of benefits paid, for recovering benefits that have been overpaid, and for initiating criminal or civil legal actions when fraud is detected. The unemployment compensation program is appropriated \$280.5 million in All Funds for the 2022–23 biennium.

Employer taxes are collected in the Unemployment Compensation Trust Fund, from which workers' benefits are paid. Like other employers, state agencies reimburse the Unemployment Compensation Trust Fund for benefits paid to former employees who become unemployed. TWC credits the fund for this activity through the Reimbursements to the Unemployment Compensation Benefit Account. Although appropriations to the Reimbursements to the Unemployment

Compensation Benefit Account reside in a separate bill pattern, the account is managed by TWC and its purpose is to provide unemployment benefits to those former employees from state agencies, hospitals, and universities.

In response to the COVID-19 pandemic, the U.S. Congress passed the Families First Coronavirus Response Act; the Coronavirus Aid, Relief, and Economic Security Act; the Lost Wage Assistance Program; the Protecting Nonprofits from Catastrophic Cash Flow Strain Act of 2020; and the American Rescue Plan Act of 2021 (ARPA). These pieces of legislation added discretion for state agencies that manage unemployment insurance (UI), provided additional UI funding, and increased states' ability to provide UI under expanded eligibility requirements. As a result of these temporary changes, TWC assisted in dispensing more than \$19.7 billion in unemployment benefits from Federal Funds outside of the state Treasury in fiscal year 2020 and \$3.1 billion in fiscal year 2021. In addition, \$7.2 billion from the ARPA Coronavirus State Fiscal Recovery Fund was appropriated to the Comptroller of Public Accounts in Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021. These Federal Funds were used to return the state's Unemployment Compensation Fund to its computed statutory floor and to pay back outstanding advances made from the federal government as a result of the pandemic.

### **OTHER PROGRAM AREAS**

Other program areas consist of seven additional programs within the agency. These programs can be organized by functions that promote accountability and enforcement within the agency's workforce system and programs that provide agency administrative support. Programs related to accountability and enforcement include: (1) labor law; (2) career schools and colleges; (3) civil rights; (4) foreign labor certification; (5) labor market and career information; and (6) work opportunity tax credit. The indirect administration program includes: (1) central administration; (2) information resources; and (3) other support services. Appropriations to other program areas total \$105.5 million in All Funds for the 2022–23 biennium.

The labor law program is appropriated \$8.2 million in General Revenue–Dedicated Funds to enforce the Texas Pay Day Law, which helps workers obtain payment of wages due, and the Texas Child Labor Law, which protects children from exploitation in the workplace. The agency also is appropriated \$2.2 million in fee-generated General Revenue Funds to license and regulate career schools and colleges that

offer vocational or continuing education. To enforce the Texas Commission on Human Rights Act and the Texas Fair Housing Act, the civil rights program at TWC is appropriated \$6.8 million in All Funds to investigate complaints, to review policies and procedures of state agencies and institutions of higher education, to report statistics, and to conduct training.

The foreign labor certification program is appropriated \$1.9 million in Federal Funds to review and process temporary employment certification forms. The labor market and career information program is appropriated \$8.5 million in All Funds to develop and report labor market information. The work opportunity tax credit program is appropriated \$1.8 million in Federal Funds to help provide federal tax credit to employers who hire individuals from specified target populations.

The indirect administration program, including central administration, information technology, and support services, is appropriated \$76.2 million in All Funds for the 2022–23 biennium.

## **SIGNIFICANT LEGISLATION**

**House Bill 7 – Calculating the replenishment ratio.** The legislation prohibits the Texas Workforce Commission from including unemployment benefits paid and not effectively charged to an employer’s account in the calculation of the replenishment ratio if those benefits occurred as a result of an order or proclamation by the Governor that declares at least 50.0 percent of the counties in the state of Texas to be in a state of disaster or emergency.

**House Bill 1525 – Operating the High School Equivalency subsidy program.** The legislation requires the Texas Education Agency to transfer funds to the Texas Workforce Commission to operate the High School Equivalency subsidy program. The legislation codifies the subsidy program, which was established initially in House Bill 3, Eighty-sixth Legislature, 2019.

**House Bill 1247 – Work-based learning strategic framework.** The legislation requires the Texas Workforce Commission, Texas Education Agency, and Texas Higher Education Coordinating Board jointly to develop and report on a strategic framework to encourage work-based learning in Texas.

**Senate Bill 337 – Facilitating the participation of certain veterans and military personnel in apprenticeship training programs.** The legislation establishes a grant

program for assisting certain veterans and military personnel. It directs TWC to develop and administer a program that awards grants to nonprofit organizations that facilitate participation in Texas-based apprenticeship training programs by veterans and active-duty military service members who are transitioning into civilian employment.

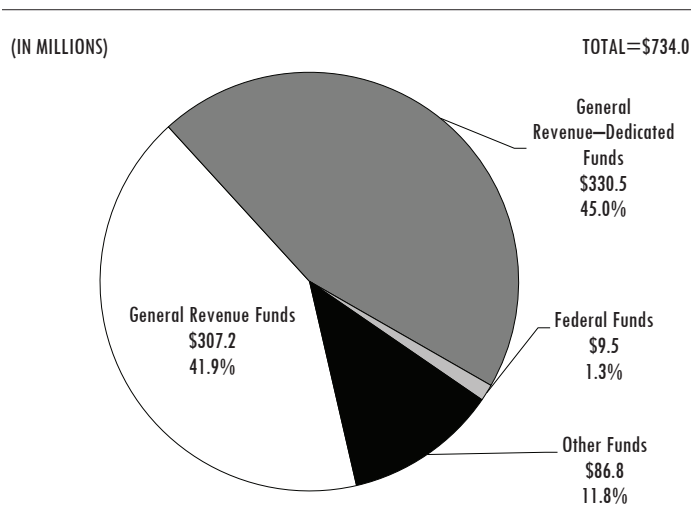
# 11. REGULATORY

Regulatory agencies are the state agencies charged with the regulation of a wide range of industries and occupations in the state. Regulated industries include insurance, workers' compensation, health-related occupations, non-health-related occupations, telecommunications, electric utilities, securities, and pari-mutuel racing. The appropriations and indirect costs for 18 of the regulatory agencies are supported by fees generated from the industries and occupations they regulate. These agencies are subject to a legislative requirement that fee-generated revenues cover the cost of agency appropriations and the other direct and indirect costs appropriated to other state agencies.

**FIGURE 322**  
**ARTICLE VIII – REGULATORY, BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$370.7	\$307.2	(\$63.4)	(17.1%)
General Revenue–Dedicated Funds	\$248.9	\$330.5	\$81.6	32.8%
Federal Funds	\$9.3	\$9.5	\$0.2	2.3%
Other Funds	\$91.7	\$86.8	(\$4.9)	(5.4%)
<b>Total, All Methods of Finance</b>	<b>\$720.6</b>	<b>\$734.0</b>	<b>\$13.5</b>	<b>1.9%</b>

**SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)**



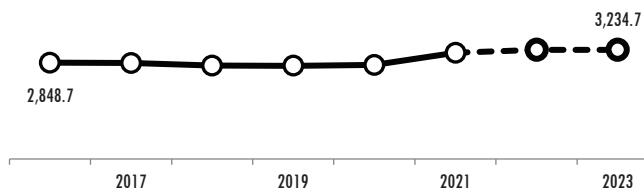
**SIGNIFICANT DEVELOPMENTS**

Several licensing agencies will relocate into the George H.W. Bush Building in fiscal year 2022. The Eighty-seventh Legislature, 2021, appropriated **\$4.3 million in All Funds to address moving-related expenses.**

Funding includes **\$42.8 million in contingency funds for the establishment of the Health Insurance Risk Pool** upon federal law action.

**The Public Utility Commission is appropriated \$9.4 million in additional funds** to provide enhanced oversight of the Electric Reliability Council of Texas; to prepare, prevent, and respond to winter storm emergencies; and for two additional commissioners and their staff.

**FULL-TIME-EQUIVALENT POSITIONS**



**NOTES:**

- (1) Excludes Interagency Contracts.
- (2) Full-time-equivalent positions show actual positions for fiscal years 2016 to 2020, budgeted positions for fiscal year 2021, and appropriated positions for fiscal years 2022 and 2023.

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

**FIGURE 323**  
**ARTICLE VIII – REGULATORY APPROPRIATIONS BY AGENCY, ALL FUNDS**

(IN MILLIONS)	ESTIMATED/BUDGETED	APPROPRIATED	BIENNIAL	PERCENTAGE
FUNCTION	2020–21	2022–23	CHANGE	CHANGE
State Office of Administrative Hearings	\$23.5	\$22.5	(\$1.0)	(4.4%)
Texas Behavioral Health Executive Council (2)	\$4.6	\$9.7	\$5.1	108.8%
Board of Chiropractic Examiners	\$1.7	\$1.9	\$0.2	12.0%
Texas State Board of Dental Examiners	\$8.9	\$9.2	\$0.3	3.6%
Funeral Service Commission	\$1.6	\$1.8	\$0.1	8.6%
Board of Professional Geoscientists	\$1.1	\$1.2	\$0.1	10.0%
Health Professions Council	\$2.3	\$2.9	\$0.6	27.2%
Office of Injured Employee Counsel	\$17.3	\$17.4	\$0.2	0.9%
Department of Insurance	\$286.2	\$275.6	(\$10.6)	(3.7%)
Office of Public Insurance Counsel	\$1.9	\$2.0	\$0.1	3.2%
Board of Professional Land Surveying (3)	\$0.3	\$0.0	(\$0.3)	(100.0%)
Department of Licensing and Regulation	\$88.3	\$87.0	(\$1.3)	(1.5%)
Texas Medical Board	\$28.0	\$32.1	\$4.0	14.3%
Texas Board of Nursing	\$26.2	\$27.2	\$1.0	4.0%
Optometry Board	\$1.0	\$1.1	\$0.1	7.5%
Board of Pharmacy	\$20.2	\$20.3	\$0.1	0.5%
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$2.7	\$2.8	\$0.1	3.4%
Board of Plumbing Examiners	\$5.6	\$5.9	\$0.3	4.8%
Board of Examiners of Psychologists (2)	\$1.0	\$0.0	(\$1.0)	(100.0%)
Texas Racing Commission	\$13.0	\$13.5	\$0.4	3.4%
Texas State Securities Board	\$14.8	\$15.3	\$0.5	3.7%
Public Utility Commission	\$33.1	\$42.6	\$9.4	28.5%
Office of Public Utility Counsel	\$4.1	\$5.0	\$1.0	24.1%
Board of Veterinary Medical Examiners	\$2.7	\$2.9	\$0.2	8.7%
<b>Subtotal, Regulatory</b>	<b>\$590.2</b>	<b>\$599.9</b>	<b>\$9.7</b>	<b>1.6%</b>
Retirement and Group Insurance	\$116.4	\$119.8	\$3.4	2.9%
Social Security and Benefits Replacement Pay	\$26.4	\$26.6	\$0.2	0.6%
Lease Payments	\$0.0	\$0.0	(\$0.0)	(100.0%)
<b>Subtotal, Employee Benefits and Debt Service</b>	<b>\$142.8</b>	<b>\$146.4</b>	<b>\$3.6</b>	<b>2.5%</b>
Less Interagency Contracts	\$12.4	\$12.2	(\$0.2)	(1.5%)
<b>Total, All Functions</b>	<b>\$720.6</b>	<b>\$734.0</b>	<b>\$13.5</b>	<b>1.9%</b>

## NOTES:

- (1) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.
- (2) Incorporates the Eighty-sixth Legislature, General Appropriations Act, 2020–21 Biennium, Article IX, §18.11, pursuant to House Bill 1501, Eighty-sixth Legislature, 2019, relating to the establishment of the Texas Behavioral Health Executive Council and to the continuation and transfer of the regulation of psychologists, marriage and family therapists, professional counselors, and social workers to the Texas Behavioral Health Executive Council, resulting in a decrease of \$854,700 for fiscal year 2021 for the Board of Examiners of Psychologists and increases of \$885,008 for fiscal year 2020 and of \$3,729,917 for fiscal year 2021 for the Behavioral Health Executive Council.
- (3) Incorporates House Bill 1523, Eighty-sixth Legislature, 2019, resulting in the transfer of the regulation of land surveyors to the newly established Board of Professional Engineers and Land Surveyors, a self-directed, semi-independent state agency outside of the state Treasury, and the abolishment of the Board of Professional Land Surveying.

SOURCE: Legislative Budget Board.



## MAJOR FUNDING

All Funds for the Regulatory agencies total \$734.0 million for the 2022–23 biennium, an increase of \$13.5 million, or 1.9 percent from the 2020–21 biennium. The increase in funding is due primarily to legislation requiring the Public Utility Commission to implement certain reforms in its oversight of the Electric Reliability Council of Texas (ERCOT) and to reform efforts to prepare for and respond to weather emergencies. The regulatory agencies regulate a variety of industries, including health-related occupations, non-health-related occupations, securities, and pari-mutuel racing. The appropriations and indirect costs for the majority of these regulatory agencies are supported by fees generated from the industries and occupations they regulate.

Eighteen of the regulatory agencies are subject to a legislative requirement that fee-generated revenues cover the cost of agency appropriations and other direct and indirect costs appropriated to other state agencies. Sixteen of the regulatory agencies generate revenue in excess of these direct and indirect amounts from the regulated occupations and industries. Revenue generated that is greater than the cost of agency appropriations and other direct and indirect costs is deposited to the state Treasury for use in funding other programs across the state. Based on information and revenue estimates submitted by the agencies in the 2022–23 Legislative Appropriations Request and estimates from the Comptroller of Public Accounts' 2022–23 Biennial Revenue Estimate, it is estimated that the regulatory agencies will generate approximately \$300.0 million in revenue greater than appropriated amounts for the 2022–23 biennium.

The Sunset Advisory Commission reviewed the Racing Commission, the Board of Veterinary Medical Examiners, and the Department of Licensing and Regulation. Senate Bill 713 and House Bill 1560, Eighty-seventh Legislature, Regular Session, 2021, continued these agencies until September 1, 2027, September 1, 2029, and September 1, 2033, respectively.

Appropriations for the **Behavioral Health Executive Council** (BHEC) increased by \$5.1 million for the 2022–23 biennium. The increase represents two full years of funding for agency operations, adjustments to appropriated receipts to more accurately represent revenue generated, and the addition of 4.0 licensing full-time-equivalent (FTE) positions. Licensing responsibilities for certain professions were transferred from the Health and Human Services Commission to BHEC at the beginning of fiscal year 2021 pursuant to House Bill 1501, Eighty-sixth

Legislature, 2019. These additional positions are intended to address licensing backlogs associated with the social work and counseling programs that transferred.

Funding for the **Texas Department of Insurance** includes a net decrease of \$10.6 million in All Funds from 2020–21 biennial funding levels. Funding for fiscal year 2021 includes a supplemental appropriation of \$5.0 million for website automation, modernization, and the Division of Workers' Compensation COMPASS System, pursuant to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021. Biennial amounts for 2022–23 include a decrease of \$6.0 million in General Revenue–Dedicated Funds for the 5.0 percent reduction plan (these funds were exempted from the reduction in the 2020–21 biennium), and a decrease of \$6.8 million in Other Funds related to Appropriated Receipt collections for the Three-Share Premium Assistance Program, company rehabilitation activities and designated doctor conferences, and Division of Workers' Compensation educational services.

These amounts are offset by an increase of \$4.4 million in General Revenue–Dedicated Funds to continue the agency's State Regulatory Response Rider, which authorizes the agency to respond to unexpected changes in the insurance market, including emergencies and natural and human caused disasters. In addition, there is an increase of \$2.3 million in General Revenue–Dedicated Funds for the Contingency Health Insurance Risk Pool, an increase of \$0.5 million in General Revenue–Dedicated Funds for law enforcement officer salary increases, and an increase of \$0.1 million in Federal Funds for additional grant funding from the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) and Bureau of Labor Statistics.

The Eighty-seventh Legislature included a method-of-finance adjustment, replacing references in the General Appropriations Act to General Revenue Account No. 8042, Insurance Companies Maintenance Tax and Insurance Department Fees, with General Revenue–Dedicated Account No. 36, Texas Department of Insurance Operating Fund, throughout.

Appropriations to the **Public Utility Commission** (PUC) for the 2022–23 biennium include an All Funds increase of \$9.4 million from 2020–21 biennial spending levels. The increase includes a full restoration of the 5.0 percent reductions in the 2020–21 biennium, 16.0 FTE positions to enhance ERCOT oversight and external communications,

10.0 FTE positions for preparing, preventing, and responding to winter emergencies, and 6.0 FTE positions for two additional commissioners and their staff. These appropriation increases were prompted by Winter Storm Uri, which precipitated a grid event of unprecedented severity in February 2021, causing power to millions of Texas electricity customers to be interrupted.

### **SIGNIFICANT LEGISLATION**

**Senate Bill 3 – Preparing, preventing, and responding to weather emergencies and power outages.** The legislation requires PUC to create rules and processes for critical electric suppliers to follow during energy emergencies. PUC will analyze electric utilities' emergency operation plans, submit reports, and enforce penalties for not implementing plans. The legislation also requires PUC to work on mapping associated with the Texas Electric Supply Chain Security and Mapping Committee and provide a biennial report on weather emergency preparedness.

**Senate Bill 2154 – Membership of PUC.** The legislation increases the number of commissioners at the Public Utility Commission from three to five and amends the rules for commissioner eligibility.

**House Bill 1616 – Authorizing Texas to join the Interstate Medical Licensure Compact.** The legislation requires the Texas Medical Board (TMB) to issue expedited licensure to qualified and eligible applicants seeking to practice medicine in multiple states under the terms and provisions of the compact. The legislation authorizes TMB to impose a fee for a license issued or renewed through the compact and to manage enforcement activities related to those licensed through the compact.

## STATE OFFICE OF ADMINISTRATIVE HEARINGS

**PURPOSE:** Conduct fair, objective, prompt, and efficient administrative hearings and alternative dispute resolution proceedings for contested cases at agencies that do not employ an administrative law judge to arbitrate such disputes.

**ESTABLISHED:** 1991

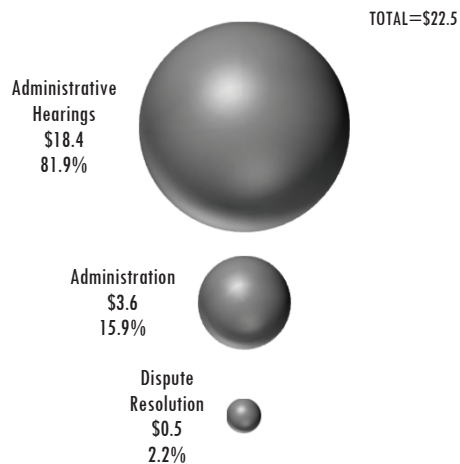
**AUTHORIZING STATUTE:** The Texas Government Code, §2003.021

**GOVERNANCE:** Chief Administrative Law Judge—appointed by the Governor with advice and consent of the Senate

**FIGURE 324**  
**STATE OFFICE OF ADMINISTRATIVE HEARINGS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$13.8	\$13.6	(\$0.3)	(1.8%)	<b>2022</b> 119.0  <b>2023</b> 119.0
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$9.7	\$8.9	(\$0.8)	(8.1%)	
<b>Total, All Methods of Finance</b>	<b>\$23.5</b>	<b>\$22.5</b>	<b>(\$1.0)</b>	<b>(4.4%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations include a **decrease of \$0.3 million in General Revenue Funds** from the 2020–21 biennium for onetime expenditures for the agency's case management system.

The State Office of Administrative Hearings will charge agencies an **hourly rate of \$150 for costs associated with administrative hearings.**

The agency anticipates processing approximately **22,800 administrative license revocation cases** from the Department of Public Safety during **each fiscal year** of the biennium.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

The State Office of Administrative Hearings (SOAH) is appropriated primarily General Revenue Funds and Interagency Contracts (Other Funds) for the 2022–23 biennium. The General Revenue Funds appropriated to the agency are intended to provide services to certain agencies that do not receive appropriations for paying SOAH for costs related to administrative hearings. This funding covers agencies that cross various functions, including the following sample of agencies: Employees Retirement System of Texas, Teacher Retirement System of Texas, Alcoholic Beverage Commission, Department of Agriculture, Department of Transportation, and Texas Medical Board.

Interagency Contracts funding consists of amounts paid to SOAH from other agencies for work relating to administrative hearings at the agency and is provided either hourly or as a lump sum. Agencies that enter Interagency Contracts for work completed by SOAH also cross various functions in the state and include the following agencies: Comptroller of Public Accounts, Department of Family and Protective Services, Texas Juvenile Justice Department, Texas Commission on Environmental Quality, and Texas Department of Motor Vehicles.

Overall appropriations at SOAH include a net decrease of 4.4 percent, or \$1.0 million, from the 2020–21 biennial spending level. The All Funds decrease includes a \$0.3 million decrease in General Revenue Funds related to a onetime expenditure for the agency's integrated case management system (ACTS), and a \$0.8 million decrease in Other Funds related to projected contracted workload in the 2022–23 biennium. Supplemental funding for ACTS maintenance was appropriated for fiscal year 2021 in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021. The agency's 2022–23 biennial hourly billing rate for Interagency Contracts is no longer determined by the most recently published Hearing Activity Report, but instead is limited to \$150 per hour.

## PROGRAMS

SOAH fulfills its responsibilities through three main program areas: (1) conducting administrative hearings; (2) conducting alternative dispute resolution (ADR) cases; and (3) administration. **Figure 325** shows certain agency performance measures from fiscal years 2019 to 2023 related to the agency's key functions.

Conducting administrative hearings and preparing proposals for decisions and final orders are SOAH's primary functions. The agency provides an independent forum for the resolution of contested cases arising from the enforcement of state regulations. Additionally, SOAH conducts Administrative License Revocation (ALR) hearings by collaborating with the Department of Public Safety, which refers cases to SOAH relating to the suspension of driver licenses for operating a motor vehicle while under the influence of alcohol or drugs. It is estimated that SOAH will process 22,800 ALR cases during each fiscal year of the 2022–23 biennium. SOAH is appropriated \$18.4 million and 97.0 full-time-equivalent (FTE) positions for conducting administrative hearings.

SOAH's ADR function includes conducting mediated settlement conferences, arbitrations, and other alternative dispute resolution proceedings. An administrative law judge may refer cases to ADR or serve as an impartial third party for negotiated rule making. It is estimated that SOAH will receive 110 requested or referred ADR cases during each fiscal year of the 2022–23 biennium. SOAH is appropriated \$0.5 million and 2.0 FTE positions for this purpose.

The final program area, administration, provides administrative support, including accounting, budgeting, billing, information resources, human resources, payroll, and training for administering the agency's major programs. SOAH is appropriated \$3.6 million and 20.0 FTE positions for this purpose.

**FIGURE 325**  
**STATE OFFICE OF ADMINISTRATIVE HEARINGS PERFORMANCE MEASURES, FISCAL YEARS 2019 TO 2023**

MEASURE	2019	2020	2021	2022	2023
Total Agencies Served	55	50	50	50	50
Total Cases Received (2)	27,045	18,200	25,300	22,800	22,800
Total General Docket Cases Disposed	5,346	3,580	5,900	4,900	4,900
Total Administrative License Revocation Cases Disposed	29,887	18,724	25,000	22,800	22,800
Total Alternative Dispute Resolution Cases Requested or Referred	190	110	110	110	110

NOTES:

(1) Amounts for fiscal years 2022 and 2023 are estimated.

(2) The Total Cases Received data excludes alternative dispute resolution cases.

SOURCE: State Office of Administrative Hearings.

## OFFICE OF INJURED EMPLOYEE COUNSEL

**PURPOSE:** Assist, educate, and advocate on behalf of the injured employees of Texas. By statute, the Office of Injured Employee Counsel (OIEC) is attached administratively to the Texas Department of Insurance, Division of Workers' Compensation.

**ESTABLISHED:** 2005

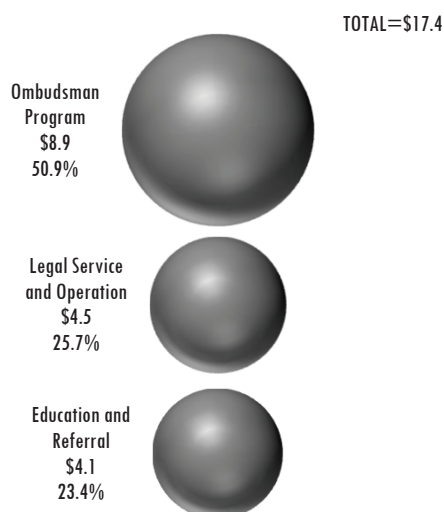
**AUTHORIZING STATUTE:** The Texas Labor Code, §404.002

**GOVERNANCE:** Public Counsel—appointed by the Governor with advice and consent of the Senate

**FIGURE 326**  
**OFFICE OF INJURED EMPLOYEE COUNSEL BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A	
General Revenue–Dedicated Funds	\$17.3	\$17.4	\$0.2	0.9%	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	2022 171.0
Other Funds	\$0.0	\$0.0	\$0.0	N/A	
<b>Total, All Methods of Finance</b>	<b>\$17.3</b>	<b>\$17.4</b>	<b>\$0.2</b>	<b>0.9%</b>	<b>2023 171.0</b>

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The agency anticipates participating in **13,000 benefit review conferences, 5,200 contested case hearings, and 2,000 appeals** to assist injured employees during the 2022–23 biennium.

**Administrative attachment appropriations** from the Texas Department of Insurance for OIEC rental space, equipment, and supplies are no longer identified specifically in the General Appropriations Act.

Source: Legislative Budget Board.

**MAJOR FUNDING AND PROGRAMS**

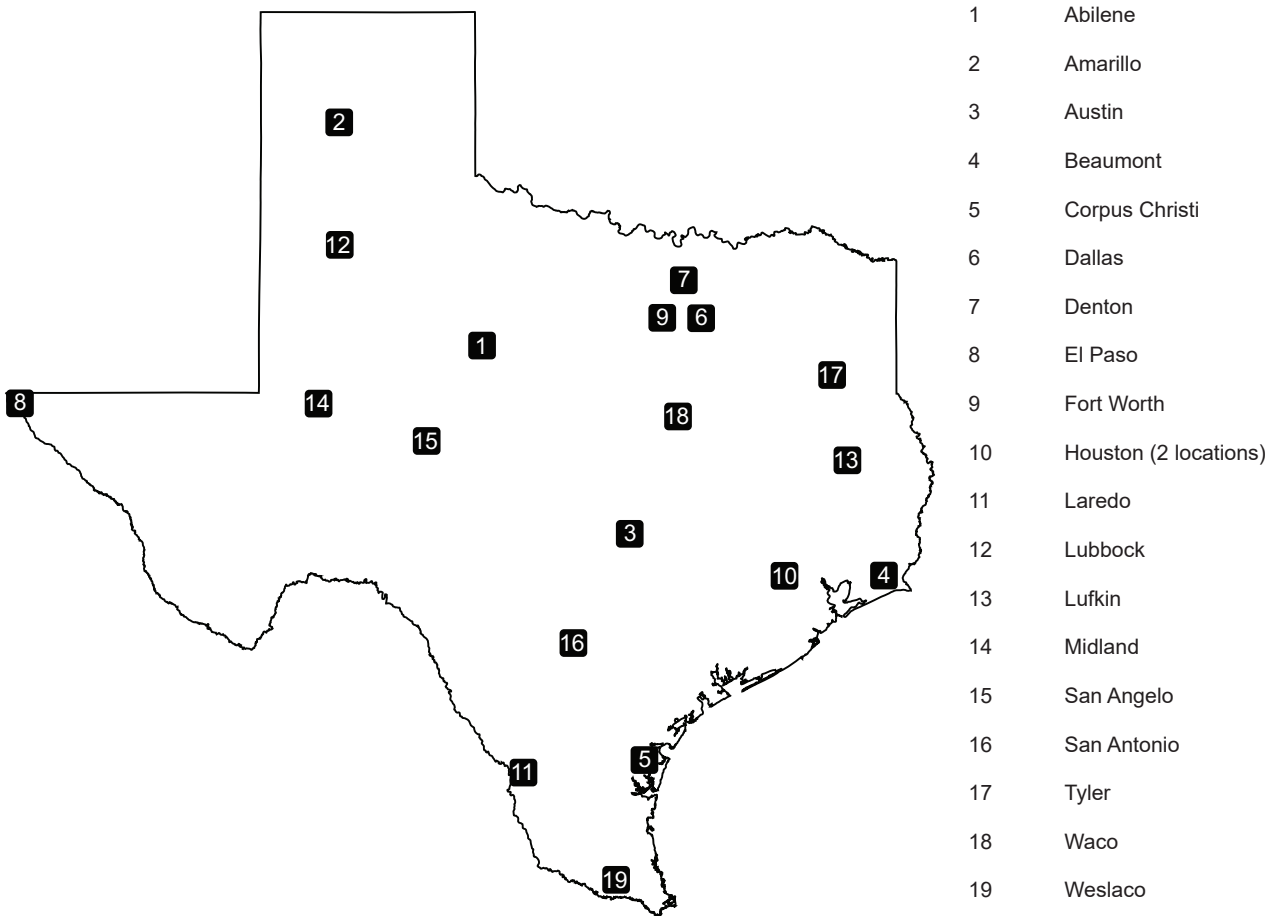
The Office of Injured Employee Counsel (OIEC) carries out its responsibilities through three major program areas: (1) the Ombudsman Program; (2) education and referral; and (3) legal services and operations.

The Ombudsman Program assists injured employees with disputes related to workers’ compensation claims. Ombudsmen assist injured employees at benefit review conferences, contested case hearings, and appeals, and conduct preparation appointments with injured employees before these proceedings. The Ombudsman Program also assists in helping injured employees resolve disputes through early intervention and case development. Ombudsmen are based in the agency’s central office and in 20 field offices located in 19 cities around the state, as shown in **Figure 327**. OIEC is appropriated \$8.9 million and 86.0 full-time-equivalent (FTE) positions for this purpose.

The agency further assists injured employees and the public through education and referral activities, such as providing the state rights and responsibilities notice to injured employees. This document contains an overview of injured employees’ rights and their responsibilities within the Texas workers’ compensation system, and the document includes OIEC contact information. The agency also refers injured employees to programs, services, and licensing boards. OIEC is appropriated \$4.1 million and 45.0 FTE positions for this purpose.

The final program area includes the agency’s legal services and administrative and information technology support for the agency. Legal services represents injured employee interests as a class by participating in the legislative process, the Texas Department of Insurance (TDI) rule-making process, and training ombudsmen on workers’ compensation law, dispute resolution, and hearing skills. OIEC is appropriated \$4.5 million and 30.0 FTE positions for this purpose.

**FIGURE 327**  
**OFFICE OF INJURED EMPLOYEE COUNSEL FIELD OFFICES, 2021**



SOURCE: Office of Injured Employee Counsel.

Pursuant to the Texas Labor Code, OIEC is attached administratively to TDI, which provides administrative assistance and services, personnel services, and computer equipment and support. TDI's appropriations for the biennium include amounts for OIEC's administrative costs, including rental space, equipment, postage, and supplies. Additionally, OIEC receives direct funding from the General Revenue–Dedicated Account No. 36, TDI Operating Fund, and appropriations for the agency remain consistent with 2020–21 biennial spending levels.

## TEXAS DEPARTMENT OF INSURANCE

**PURPOSE:** Protect insurance consumers in Texas by regulating the insurance industry and promoting a stable and competitive market. The Texas Department of Insurance focuses on access to affordable insurance, promoting insurer financial strength, reducing losses due to fire, and regulating the workers' compensation system.

**ESTABLISHED:** 1991

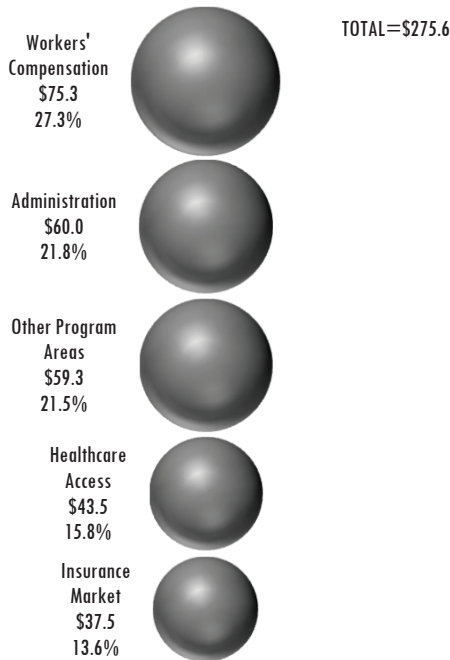
**AUTHORIZING STATUTE:** The Texas Insurance Code, §31.002

**GOVERNANCE:** Commissioner of Insurance—appointed by the Governor with advice and consent of the Senate

**FIGURE 328**  
**TEXAS DEPARTMENT OF INSURANCE BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$82.2	\$0.5	(\$81.7)	(99.4%)	<b>2022</b> 1,260.5  <b>2023</b> 1,262.0
General Revenue–Dedicated Funds	\$141.0	\$218.9	\$77.9	55.3%	
Federal Funds	\$4.5	\$4.5	\$0.1	1.3%	
Other Funds	\$58.6	\$51.8	(\$6.8)	(11.7%)	
<b>Total, All Methods of Finance</b>	<b>\$286.2</b>	<b>\$275.6</b>	<b>(\$10.6)</b>	<b>(3.7%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Funding includes **\$43.4 million in contingency funds for the establishment of the Health Insurance Risk Pool** upon federal law action.

The agency is appropriated **\$4.4 million in contingency funds** to respond in the event of a significant change in the insurance regulatory environment.

Appropriations in **House Bill 2 for fiscal year 2021** include an increase of **\$5.0 million in General Revenue–Dedicated Funds** for website modernization and automation, and replacement of the Division of Workers' Compensation COMPASS System.

Funding includes a **method-of-finance change**, amending various sections of the General Appropriations Act to **replace references to General Revenue Account No. 8042 with General Revenue–Dedicated Account No. 36**.

SOURCE: Legislative Budget Board.



## MAJOR FUNDING

The Texas Department of Insurance (TDI) is required by statute to adjust taxes and fees to generate revenue equivalent to its General Revenue–Dedicated Funds appropriations and to the appropriations made to the Office of Injured Employee Counsel (OIEC) and certain programs in six other agencies. General Revenue–Dedicated Account No. 36, Texas Department of Insurance Operating Fund is the only method of finance subject to this requirement. **Figure 329** shows the taxable premiums and maintenance tax rates by line of insurance or entity for calendar year 2020. **Figure 330** shows a comparison of tax rates by health maintenance organization type for fiscal year 2020.

Funding for TDI includes a net decrease of \$10.6 million in All Funds from 2020–21 biennial funding levels. Funding for fiscal year 2021 includes a supplemental appropriation of \$5.0 million for website automation, modernization, and the Division of Workers' Compensation COMPASS System, pursuant to House Bill 2, Eighty-seventh Legislature, 2021. Biennial amounts for 2022–23 include a decrease of \$6.0 million in General Revenue–Dedicated Funds for the 5.0 percent reduction plan (these funds were exempted from the reduction in the 2020–21 biennium), and a decrease of \$6.8 million in Other Funds related to Appropriated Receipt collections for the Three-Share Premium Assistance Program, company rehabilitation activities and designated doctor conferences, and Division of Workers' Compensation educational services.

These amounts are offset by an increase of \$4.4 million in General Revenue–Dedicated Funds to continue the agency's State Regulatory Response Rider, which authorizes the agency to respond to unexpected changes in the insurance market, including emergencies and natural and human-caused disasters. In addition, there is an increase of \$2.3 million in General Revenue–Dedicated Funds for the Contingency Health Insurance Risk Pool, an increase of \$0.5 million in General Revenue–Dedicated Funds for law enforcement officer salary increases, and an increase of \$0.1 million in Federal Funds for additional federal Occupational Safety and Health Administration (OSHA) Bureau of Labor Statistics grant funding.

The Eighty-seventh Legislature included a method-of-finance adjustment, replacing references in the General Appropriations Act to General Revenue Account No. 8042, Insurance Companies Maintenance Tax and Insurance Department Fees, with General Revenue–Dedicated Account No. 36, Texas Department of Insurance Operating Fund, throughout.

**FIGURE 329**  
**TAXABLE INSURANCE PREMIUMS AND TAX RATES**  
**CALENDAR YEAR 2020**

COVERAGE OR ENTITY	GROSS PREMIUMS (IN MILLIONS)	TAX RATES
Fire and allied lines	\$18,119.7	0.254%
Casualty and fidelity	\$9,251.5	0.053%
Motor vehicle	\$26,771.2	0.042%
Life, accident, and health	\$50,659.3	0.040%
Title	\$2,626.5	0.052%
Third-party administrators	\$2,954.8	0.008%
Workers' compensation	\$2,420.7	0.068%

SOURCE: Texas Department of Insurance.

**FIGURE 330**  
**HEALTH MAINTENANCE ORGANIZATION (HMO)**  
**ENROLLEES AND TAX RATES**  
**CALENDAR YEAR 2020**

COVERAGE OR ENTITY	ENROLLEES	TAX RATES
HMO – Multiservice	4,943,545	\$0.87
HMO – Single Service	878,305	\$0.29

SOURCE: Texas Department of Insurance.

Senate Bill 874, Eighty-seventh Legislature, 2021, continued the administration of a temporary health insurance risk pool until September 1, 2023 (see the section regarding **Significant Legislation**). TDI is appropriated \$41.1 million in Other Funds from the Healthy Texas Small Employer Premium Stabilization Fund to provide access to quality healthcare for Texas residents and to conduct public education and outreach. The agency is appropriated \$2.3 million in General Revenue–Dedicated Funds to administer the health insurance risk pool. The funds are contingent on federal law and may not be spent unless the Commissioner of Insurance files a finding of fact with the Office of the Governor and the Legislative Budget Board.

## PROGRAMS

The agency carries out its responsibilities through five major program areas: (1) workers' compensation; (2) oversight and regulation of insurer financial strength and promotion of access to insurance products; (3) healthcare access; (4) other program areas, including the TDI Fraud Unit, the State Fire Marshal's Office, the TexasSure Program, rate and policy review, and the state regulatory response rider; and (5) administration.

**FIGURE 331**  
**INSURANCE LICENSES ISSUED, FISCAL YEARS 2019 TO 2023**

LICENSE OR CERTIFICATION	2019	2020	2021	2022	2023
Licensed Agents	546,894	590,486	660,909	701,148	757,217
Regulated Companies and Carriers	1,929	1,945	1,969	1,993	2,017

NOTE: Amounts shown for fiscal years 2021, 2022, and 2023 are estimated.  
SOURCE: Texas Department of Insurance.

### WORKERS' COMPENSATION

The Division of Workers' Compensation (DWC) at TDI is overseen by the Commissioner of Workers' Compensation. The Commissioner is appointed by the Governor, with the advice and consent of the Senate, to serve a two-year term that expires February 1 of each odd-numbered year. The Commissioner has executive authority of DWC functions, including rule-making authority.

DWC promotes safe and healthy workplaces in Texas and manages the appropriate delivery of workers' compensation benefits through its 21 field offices, which provide claims services, customer services, and dispute resolution services. DWC certifies and regulates self-insured employers, monitors compliance and takes necessary enforcement action, and resolves indemnity and medical disputes. DWC offers appropriate incentives, education, consultation, and inspections related to worker safety. In addition, DWC administers the Subsequent Injury Fund (SIF), established in 1947. SIF collects death benefit payments from insurance carriers when no beneficiary is eligible; these funds are used for several purposes, including lifetime income benefits and the overpayment of claims. TDI is appropriated \$59.6 million for workers' compensation and \$15.7 million for SIF for the 2022–23 biennium.

### INSURANCE MARKET OVERSIGHT AND REGULATION

To provide oversight of the Texas insurance market, TDI administers three programs: property and casualty review, legal and enforcement, and financial regulation. Together, these activities directly support promoting competition, increasing access to affordable insurance products within a fair market, and investigating and resolving complaints. TDI is appropriated a total of \$37.5 million for insurance market oversight and regulation for the 2022–23 biennium.

The property and casualty review program oversees insurance products in the market and related coverage offered by insurance companies. TDI also regulates rates for the sale of automobile and residential insurance. Activities to promote competition include providing comparative rate and price information to consumers and insurers, licensing insurance

agents, and certifying companies to conduct insurance business in Texas. **Figure 331** shows insurance licensing and certification data for fiscal years 2019 to 2023. To increase the availability of insurance, TDI identifies underserved markets for automobile and homeowner's insurance and encourages insurers to offer policies in these markets. TDI is appropriated \$13.5 million for this purpose for the 2022–23 biennium.

To enforce insurance compliance, TDI performs agency legal duties, drafts rules and adoption orders, processes public information requests, investigates consumer complaints, and initiates enforcement actions to stop unlawful, unfair, and illegal trade practices. TDI is appropriated \$13.2 million to enforce compliance in Texas for the 2022–23 biennium.

The financial regulation program enforces solvency standards for insurance companies and related entities through an entity's life cycle, including initial formation and licensure, subsequent surveillance activities, and implementation of regulatory interventions as needed. The agency analyzes the financial condition of insurers operating in Texas and provides safety education programs, inspects insurance loss programs offered to policyholders, and assures compliance with filed property schedules and windstorm construction codes. When the conservation of assets is not sufficient to rehabilitate a financially weak insurance company facing insolvency, TDI may seek a court order to place the insurer into receivership administered by a special deputy receiver. TDI is appropriated \$10.8 million for this purpose for the 2022–23 biennium.

### HEALTHCARE ACCESS

The healthcare access program area consists of two programs, including: (1) the health insurance risk pool; and (2) the three-share premium assistance program. Pursuant to Senate Bill 874, Eighty-seventh Legislature, 2021, the agency may establish a temporary health insurance risk pool to assist Texas residents in accessing quality healthcare contingent upon federal law. The health insurance risk pool will provide health insurance coverage, provide funding to insurers for lower enrollee premium rates, or provide a reinsurance program for insurers in exchange for lower enrollee premium

rates. The agency also may use pool funds to administer the program and develop and implement public education, outreach, and facilitated enrollment strategies. TDI is appropriated \$43.4 million in All Funds for this purpose for the 2022–23 biennium.

TDI is appropriated \$0.1 million to oversee the awarding of grants for the research, planning, development, and continuation of the three-share premium assistance program in Texas to improve access to private healthcare coverage for the uninsured. Grants are funded through fines collected from regulated entities up to \$2.3 million each fiscal year appropriated through the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium, Article VIII, TDI, Rider 13, Three-Share Premium Assistance Programs.

#### **OTHER PROGRAM AREAS**

Other programs at TDI include funding for customer operations, the State Fire Marshal's Office, the TDI Fraud Unit, life and health rate and policy review, the TexasSure program, and the state regulatory response rider. Customer operations includes the agency's consumer help line and information and videos provided on social media, resolution of consumer complaints and claims, and review of applications for insurance agents and adjusters. The agency is appropriated \$17.3 million in All Funds for this purpose for the 2022–23 biennium.

To support the agency's efforts to reduce the loss of life and property caused by fire, the State Fire Marshal's Office develops and promotes methods of preventing and reducing fire losses through fire investigations, building inspections, code enforcement, licensing and regulation of fire service industries, and the development and promotion of fire prevention programs. The State Fire Marshal's Office estimates initiating 500 investigations each fiscal year. Additionally, the State Fire Marshal's Office oversees requirements for cigarette manufacturers to certify that their cigarettes meet performance standards and are fire-standard compliant, and that packaging contains markings with this certification. The agency is appropriated \$9.6 million in All Funds for this purpose for the 2022–23 biennium.

The TDI Fraud Unit investigates cases for fraud committed by insurers, providers, consumers, and those conducting unauthorized business, and refers fraud cases to the Office of the Attorney General, the local district attorneys, or other appropriate agencies or law enforcement authorities for criminal prosecution as needed. The agency estimates resolving 325 investigations of suspected criminal activity related to insurance fraud each fiscal year. TDI is appropriated \$8.4 million for this purpose in the 2022–23 biennium.

The agency's Life and Health program supports the review of rates and policy form filings, provider agreements for HMO plans, and network adequacy, registers network contracting entities and affiliates, and collects prompt pay claims data and penalty reports. TDI is appropriated \$9.4 million for this purpose in the 2022–23 biennium. The TexasSure Program supports the operation and maintenance of the TexasSure Motor Vehicle Financial Responsibility Verification Program. TexasSure is the state's vehicle insurance verification system that enables law enforcement and county tax officials to confirm whether owners of motor vehicles in Texas have established financial responsibility through required personal auto liability insurance coverage. The TexasSure vehicle insurance verification database is a joint project of TDI, the Department of Motor Vehicles, the Department of Public Safety, and the Department of Information Resources. TDI is appropriated \$10.1 million for this purpose for the 2022–23 biennium.

TDI's appropriations include funding contingent upon the agency needing additional resources due to a significant change in the insurance regulatory environment, demands for federal healthcare reform implementation, a weather-related disaster, a public health crisis, a fire that has been declared as a disaster situation, and non-weather-related disasters. The agency is appropriated \$4.4 million in General Revenue–Dedicated Funds for contingency funding in the event that a state regulatory response is needed during the 2022–23 biennium.

The final program area, administration, includes administrative support to TDI and OIEC. This support includes central administration, information resources, employee ombudsman, and other support services. TDI is appropriated \$60.0 million in All Funds for this purpose for the 2022–23 biennium.

#### **SIGNIFICANT LEGISLATION**

**Senate Bill 874 – Establishment of a temporary health insurance risk pool.** The legislation continues the establishment of a health insurance risk pool contingent on changes in federal law to provide a temporary mechanism for maximizing federal funding to assist Texas residents in obtaining access to quality healthcare. The legislation authorizes the Commissioner of Insurance to use pool funds to provide health insurance coverage, provide funding to insurers for lower enrollee premium rates, or provide a reinsurance program for insurers in exchange for lower enrollee premium rates. Funds also may be used to develop and implement public education, outreach, and facilitated enrollment strategies. The mechanism established by the legislation expires at the end of the 2022–23 biennium.

## OFFICE OF PUBLIC INSURANCE COUNSEL

**PURPOSE:** Represents the interests of insurance consumers in Texas in regulatory matters involving automobile, residential property, and title insurance, and participates in rule-making proceedings for life and health insurance.

**ESTABLISHED:** 1991

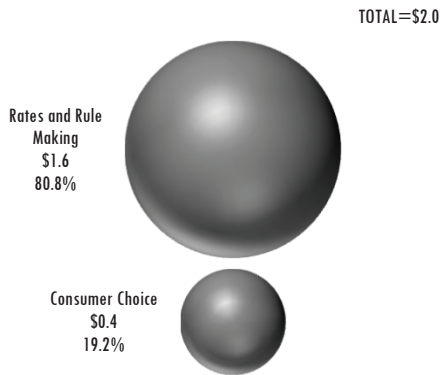
**AUTHORIZING STATUTE:** The Texas Insurance Code, §501.002

**GOVERNANCE:** Public Counsel—appointed by the Governor with advice and consent of the Senate

**FIGURE 332**  
**OFFICE OF PUBLIC INSURANCE COUNSEL BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$1.6	\$1.6	\$0.1	3.4%	<b>2022</b> 10.0  <b>2023</b> 10.0
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$0.4	\$0.4	\$0.0	2.3%	
<b>Total, All Methods of Finance</b>	<b>\$1.9</b>	<b>\$2.0</b>	<b>\$0.1</b>	<b>3.2%</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations **increased \$0.1 million** from the 2020–21 biennial spending level due to increased revenue.

The agency anticipates participating in **110 rate filings and completing 4,000 public presentations or communications** to enhance consumer choice during the 2022–23 biennium.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

The Texas Insurance Code provides funding for the Office of Public Insurance Counsel (OPIC) through annual assessments of \$0.057 on each property, casualty, title (owner and mortgage), life, health, and accident insurance policy (individual or group) in force at the end of the calendar year. The Comptroller of Public Accounts (CPA) is statutorily required to collect these assessments annually from insurers, and these amounts are deposited into the General Revenue Fund. The Legislature requires these assessments to cover the agency's appropriations and other direct and indirect costs appropriated in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium. Assessments collected that are greater than OPIC's appropriations are available for distribution from the General Revenue Fund. Based on CPA's 2022–23 Biennial Revenue Estimate, the assessments are estimated to generate approximately \$2.6 million in revenue in addition to OPIC's direct and indirect appropriations.

Additionally, OPIC receives \$0.4 million through an Interagency Contract (Other Funds) with the Texas Department of Insurance (TDI) to provide consumers with insurance information to make informed decisions. Appropriations for OPIC increased \$0.1 million from the 2020–21 biennial spending level.

## PROGRAMS

The agency carries out its responsibilities through two major program areas: (1) participating in rate hearings and rule making; and (2) increasing consumer choice.

OPIC participates as a party in TDI hearings involving insurance rates, rules, and policy forms; in judicial proceedings; and in other proceedings in which OPIC determines that insurance consumers need representation. OPIC's role in filings and proceedings is to present expert testimony, actuarial analysis, and other supporting evidence to advocate the position most favorable to consumers as a class. The agency expects to participate in approximately 110 rate filings and 50 rule-making proceedings during the 2022–23 biennium. In addition, OPIC may recommend legislation intended to serve consumer interests. This program area is appropriated \$1.6 million and 8.0 full-time-equivalent (FTE) positions for the 2022–23 biennium.

OPIC's efforts to increase consumer choice entail providing information to enhance consumers' awareness of their rights and responsibilities and educating them on the operation of

Texas insurance markets. OPIC staff make public presentations; deliver speeches; participate in panel discussions; prepare a consumer list of rights for each personal line of insurance regulated by the state; and produce health maintenance organization reports that are available to the public on the agency's website. This program area is appropriated \$0.4 million in Other Funds and 2.0 FTE positions for the 2022–23 biennium.

## DEPARTMENT OF LICENSING AND REGULATION

**PURPOSE:** Serve as an umbrella occupational regulatory agency for the licensing, certification, and enforcement of regulatory statutes involving diverse businesses, industries, general trades, and occupations.

**ESTABLISHED:** 1989

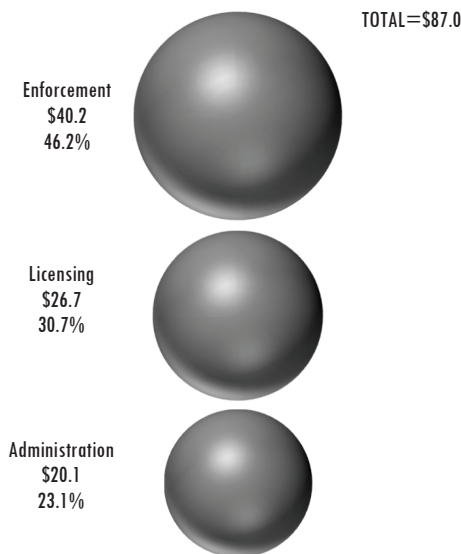
**AUTHORIZING STATUTE:** The Texas Occupations Code, §51.051

**GOVERNANCE:** Texas Commission of Licensing and Regulation—seven members appointed by the Governor with advice and consent of the Senate

**FIGURE 333**  
**DEPARTMENT OF LICENSING AND REGULATION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$74.9	\$72.8	(\$2.1)	(2.8%)	<b>2022</b> 564.2  <b>2023</b> 564.2
General Revenue–Dedicated Funds	\$0.7	\$1.4	\$0.7	90.1%	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$12.7	\$12.8	\$0.1	0.7%	
<b>Total, All Methods of Finance</b>	<b>\$88.3</b>	<b>\$87.0</b>	<b>(\$1.3)</b>	<b>(1.5%)</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Funding from House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, the supplemental appropriations bill, includes an increase of **\$2.0 million in fiscal year 2021** for continued development and implementation of Phase II of a new licensing system.

Funding includes an increase of **\$2.7 million** for the implementation of House Bill 2106, Eighty-seventh Legislature, Regular Session, 2021, relating to **the prevention, identification, investigation, and enforcement of payment card fraud.**

The agency's **Sunset legislation**, House Bill 1560, Eighty-seventh Legislature, Regular Session, 2021, continues the agency until September 1, 2033.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

The Texas Department of Licensing and Regulation (TDLR) administers and enforces state laws relating to various industries and occupations, including the following: air conditioning and refrigeration contractors; architectural barriers; athletic trainers; auctioneers; barbers; behavior analysts; boiler inspections; code enforcement officers; combative sports; cosmetologists; dietitians; dog and cat breeders; driver education and safety; dyslexia therapists and practitioners; electricians; elevators, escalators, and related equipment; hearing instrument fitters and dispensers; industrialized housing and buildings; laser hair removal; massage therapy; midwives; mold assessors and remediators; motor fuel metering and quality; motorcycle and all-terrain vehicle operator safety; offender education programs; orthotists and prosthetists; podiatry; professional employer organizations; property tax consultants and tax professionals; sanitarians; service contract providers; speech-language pathologists and audiologists; tow trucks, operators and vehicle storage facilities; transportation network companies; used automotive parts recyclers; water-well drillers and pump installers; and weather modification businesses.

Funding for TDLR includes a decrease of \$1.3 million in All Funds for the biennium and no changes to full-time-equivalent (FTE) positions for the 2022–23 biennium. House Bill 1560, Eighty-seventh Legislature, 2021, relating to the continuation and functions of TDLR passed and continued the agency until September 1, 2033.

House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, provided funding in fiscal year 2021 for two of the exceptional item requests from the agency. Appropriations to TDLR include an increase of \$2.0 million in General Revenue Funds to implement Phase II of development for a licensing system project that began during the 2020–21 biennium. The Legislature also appropriated TDLR \$0.4 million in General

Revenue Funds for fleet vehicle replacements. Additionally, the Legislature appropriated \$2.7 million in General Revenue Funds for implementation of House Bill 2106, Regular Session, 2021, relating to the prevention, identification, investigation, and enforcement of payment card fraud.

## PROGRAMS

TDLR enforces occupational code and practice standards for certain professions through three major program areas: (1) licensing; (2) enforcement; and (3) administration. **Figure 334** shows key performance measures related to the agency's licensing and enforcement programs and FTE positions from fiscal years 2019 to 2023.

TDLR ensures that licensees meet qualifications and practice standards for regulated professions. Licensing activities include verifying credentials of applicants and facilities, updating licensee databases, and ensuring that licensees adhere to continuing education requirements and ethical standards. The agency estimates that it will issue more than 800,000 licenses, certifications, and registrations to individuals and businesses during each fiscal year of the 2022–23 biennium. Appropriations for the licensing program at TDLR total \$26.7 million in All Funds for the 2022–23 biennium.

Enforcement activities at TDLR include routine inspections of facilities, investigating consumer complaints about a licensee or quality of service, and suspending or revoking licenses of violators of the agency's standards. The agency also reviews building plans to verify compliance with applicable laws, rules, accessibility standards, building codes, and safety codes. As part of its enforcement function, TDLR completed 302,950 routine inspections and closed 9,335 complaint investigations during fiscal year 2021. Appropriations for the enforcement program at TDLR total \$40.2 million in All Funds for the 2022–23 biennium.

**FIGURE 334**  
**TEXAS DEPARTMENT OF LICENSING AND REGULATION SELECT PERFORMANCE MEASURES**  
**FISCAL YEARS 2019 TO 2023**

MEASURES	2019	2020	2021	2022	2023
Licenses Held by Individuals	613,971	600,090	630,288	613,208	619,341
Licenses Held by Businesses	218,622	208,799	230,261	229,113	231,404
Complaints Closed	10,113	9,763	9,335	10,628	10,986
Full-time-equivalent Positions (1)	459.9	500.5	564.2	564.2	564.2

NOTE: (1) Full-time-equivalent (FTE) positions shown for fiscal years 2019, 2020, and 2021 show actual positions filled. Amounts shown for fiscal years 2022 and 2023 show FTE position caps appropriated by the Legislature.

SOURCE: Texas Department of Licensing and Regulation.

The final program area, administration, provides administrative and information technology support for the enforcement and licensing programs administered by the agency. Additionally, TDLR develops and distributes information about agency licensing and complaint processes and operates a toll-free telephone line to inform licensees and consumers about the agency and its operations. TDLR is appropriated \$20.1 million in All Funds for this purpose for the 2022–23 biennium.

### **SIGNIFICANT LEGISLATION**

**House Bill 1560 – Continuing the Texas Department of Licensing and Regulation.** The legislation continues the agency until September 1, 2033, and modifies certain agency functions, including licensing requirements for certain professions.

**House Bill 2106 – Prevention, identification, investigation, and enforcement of payment card fraud.** The legislation places TDLR in charge of the administration and enforcement of statutory provisions relating to payment card skimmers on fuel metering devices.

**Senate Bill 2062 – Establishing the Motor Fuel Metering and Quality Advisory Board.** The legislation establishes the board, which is authorized to advise TDLR on rules, standards, and other issues related to motor fuel metering and quality.



## RACING COMMISSION

**PURPOSE:** Enforce the Texas Racing Act and its rules to ensure the safety, integrity, and fairness of Texas pari-mutuel racing.

**ESTABLISHED:** 1988

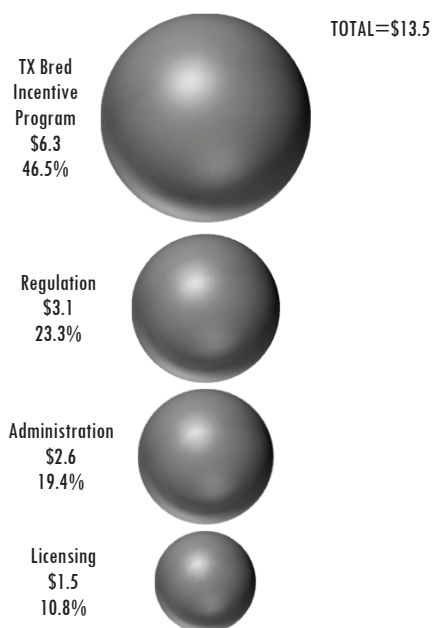
**AUTHORIZING STATUTE:** The Texas Racing Act, the Texas Occupations Code, Title 13, Subtitle A-1

**GOVERNANCE:** Texas Racing Commission—seven members appointed by the Governor with advice and consent of the Senate, and two ex officio voting members set in statute

**FIGURE 335**  
**RACING COMMISSION BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$0.0	\$0.0	(\$0.0)	(100.0%)	
General Revenue–Dedicated Funds	\$6.7	\$7.2	\$0.5	7.3%	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$6.3	\$6.3	\$0.0	0.0%	
<b>Total, All Methods of Finance</b>	<b>\$13.0</b>	<b>\$13.5</b>	<b>\$0.4</b>	<b>3.4%</b>	
					<b>2022</b> 39.3
					<b>2023</b> 39.3

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The Texas Racing Commission **was reviewed through the Sunset process, and continued for six years** until September 1, 2027, through passage of Senate Bill 713, Eighty-seventh Legislature, Regular Session, 2021.

The Racing Commission anticipates that **pari-mutuel wagering revenue will total \$510.0 million** for the 2022–23 biennium, a decrease of \$50.0 million from the 2020–21 biennium.

Funding includes **an increase of \$0.4 million in All Funds** to restore salaries that were decreased for state agencies' 5.0 percent reduction and for costs related to the agency's relocation to the George H.W. Bush Building.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

The Racing Commission is funded by General Revenue–Dedicated Funds generated primarily by fees assessed on racetracks and occupational licensees. The agency’s fee-generated revenue is required to cover the cost of the agency’s appropriations and other direct and indirect costs appropriated in the General Appropriations Act (GAA). In addition, the agency is appropriated Texas-bred Incentive Program Funds (Other Funds) to pass through to the recognized breed registries and racetracks for support of the racing industry and racing events, including purses and breeder awards.

Funding for the Racing Commission includes an increase of \$0.4 million in All Funds and no changes to full-time-equivalent (FTE) positions for the 2022–23 biennium. Senate Bill 713, Eighty-seventh Legislature, Regular Session, 2021, relating to the Sunset review process and governmental entities subject to that process, continues the agency until September 1, 2027.

The Eighty-seventh Legislature, GAA, 2022–23 Biennium, provides funding for two of the agency’s requests. Appropriations include \$0.3 million in General Revenue–Dedicated Funds for partial restoration of salary and wage reductions, and \$0.2 million in General Revenue–Dedicated Funds for costs related to a planned relocation into the George H. W. Bush Building in fiscal year 2022.

## PROGRAMS

Texas has four licensed horse racetracks and two licensed greyhound racetracks that conduct live or simulcast pari-mutuel racing. The oversight of the industry and implementation of the Racing Commission’s responsibilities

are carried out through four major program areas: (1) the Texas-bred Incentive Program; (2) regulation; (3) licensing; and (4) administration. **Figure 336** shows select performance measures related to these program areas across active Texas racetracks from fiscal years 2017 to 2023.

The Texas-bred Incentive Program for horses provides an incentive award distributed as a purse supplement paid from the pari-mutuel wagering pools to breeders and owners of Texas-bred horses that place first, second, or third in any race. The program for greyhounds distributes its purse supplements to owners of the first four accredited greyhounds crossing the finish line in any race. The program encourages agriculture and the horse-breeding and greyhound-breeding industries. Appropriations for these incentives total \$6.3 million in Other Funds, generated primarily by breakage and fees on live and simulcast wagering pool funds.

The regulation program area incorporates oversight of racing and wagering. The agency regulates greyhound racing and horse racing at racetracks in Texas, including supervising racing conduct and providing health testing and drug testing for horses and greyhounds. Wagering regulation includes investigations into illegal wagering, completion of compliance audits at racetracks, and increasing the testing and pass rates for the computer system, called a totalisator, which tallies and calculates the pari-mutuel wagers. Appropriations for these functions total \$3.1 million in General Revenue–Dedicated Funds, generated primarily by fees.

Racetrack and occupational licensing involves licensing racetracks and their participants, renewing existing racetrack and occupational licenses, and reviewing active and inactive racetrack licenses. Occupational licenses are required for all

**FIGURE 336**  
**TEXAS RACING COMMISSION SELECTED PERFORMANCE MEASURES, FISCAL YEARS 2017 TO 2023**

MEASURE	2017	2018	2019	2020	2021	2022	2023
Racetrack Inspections	50	42	6	9	12	12	12
Texas-bred Awards for Horses	6,940	5,901	4,568	3,396	6,400	4,230	4,230
Texas-bred Awards for Greyhounds	1,561	1,245	1,505	1,350	1,100	187	187
New Occupational Licenses Issued	1,895	1,856	1,583	2,059	1,800	1,800	1,800
Pari-mutuel Handle (in millions)	\$288.24	\$287.30	\$275.55	\$190.52	\$303.00	\$255.00	\$255.00
Take to State Treasury from Pari-mutuel Wagering on Live and Simulcast Races (in millions)	\$2.80	\$2.78	\$2.68	\$1.87	\$2.68	\$2.57	\$2.57
Investigations Completed	136	169	240	82	240	100	100

NOTE: Amounts shown for fiscal years 2022 and 2023 are estimated. Racetrack Inspections were redefined during fiscal year 2019 to count several inspections conducted at the racetrack as one inspection.

SOURCE: Texas Racing Commission.

racetrack employees that can affect pari-mutuel racing. Licensing appropriations total \$1.5 million in General Revenue–Dedicated Funds, generated primarily by fees.

Administration includes the indirect administrative functions that support the agency. This program area is appropriated \$2.6 million in General Revenue–Dedicated Funds for the 2022–23 biennium, generated primarily by fees.

### **SIGNIFICANT LEGISLATION**

**Senate Bill 713 – Sunset review process.** The legislation made various changes to the Sunset review process, including continuing certain state agencies, and changing certain other review dates, including the Texas Racing Commission's. The legislation continues the agency until September 1, 2027, and includes a provision to replace certain senior employees.

## STATE SECURITIES BOARD

**PURPOSE:** Protect Texas investors by ensuring a free and competitive securities market for Texas, increasing investor confidence, and encouraging the formation of capital and the development of new jobs.

**ESTABLISHED:** 1957

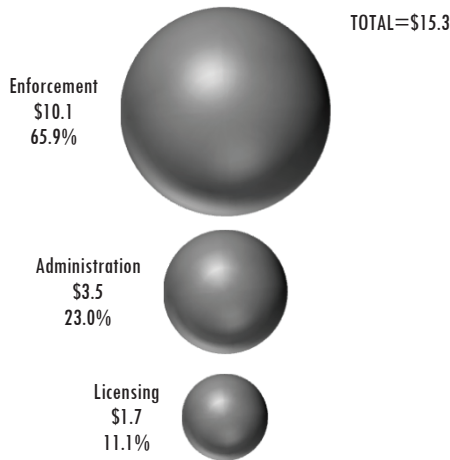
**AUTHORIZING STATUTE:** Vernon’s Civil Statutes, the Texas Securities Act, Article 581-2

**GOVERNANCE:** State Securities Board—five members appointed by the Governor with advice and consent of the Senate

**FIGURE 337**  
**STATE SECURITIES BOARD BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$14.8	\$15.3	\$0.5	3.7%	<table border="1"> <tr> <td><b>2022</b></td> <td>92.0</td> </tr> <tr> <td><b>2023</b></td> <td>92.0</td> </tr> </table>	<b>2022</b>	92.0	<b>2023</b>	92.0
<b>2022</b>	92.0								
<b>2023</b>	92.0								
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)	(100.0%)					
<b>Total, All Methods of Finance</b>	<b>\$14.8</b>	<b>\$15.3</b>	<b>\$0.5</b>	<b>3.7%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Funding includes an increase of \$0.5 million** for merit-based salary increases, to address workload related to cryptocurrency fraud schemes and protecting vulnerable adults from financial exploitation.

Revenue deposited to the state Treasury related to securities and dealer-agent applications for the 2022–23 biennium is estimated to be **\$246.0 million**.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING AND PROGRAMS

Appropriations to the agency increased by 3.7 percent, or \$0.5 million in General Revenue Funds from 2020–21 biennial spending levels due to the Eighty-seventh Legislature, 2021, appropriating funds to restore part of the 5.0 percent reductions in the 2020–21 biennium. The Legislature appropriated \$0.2 million in General Revenue Funds specifically for FTE positions for the State Securities Board to continue operating at fiscal year 2021 levels of registration, inspection, information technology, and administrative duties, and \$0.3 million in General Revenue Funds for law enforcement duties.

The agency's work is carried out in three major program areas: (1) enforcement; (2) licensing; and (3) administration.

Enforcement involves the investigation of suspected violations of the Texas Securities Act and, if appropriate, initiation of administrative proceedings or referral of matters for criminal prosecution or civil action. Agency staff collect and summarize evidence for cases adjudicated by State Office of Administrative Hearings administrative law judges and cases referred to the Office of the Attorney General in civil injunction actions. The agency also verifies compliance with the Texas Securities Act through periodic inspections of registered dealers and investment advisors. The enforcement program area is appropriated \$10.1 million in General Revenue Funds and 58.7 full-time-equivalent (FTE) positions for the 2022–23 biennium.

The agency's licensing responsibilities include registering securities and dealers. For securities registration, the agency reviews all applications for securities for sale in Texas to ensure investor access to full and fair disclosure of all relevant investment information. The agency ensures that offering terms comply with the Texas Securities Act and State Securities Board rules. For dealer registration, all securities dealers, their sales agents, and investment advisers in Texas must be registered with the State Securities Board, unless federal law preempts them or the Texas Securities Act exempts them from registering. The agency examines these applications and maintains an ongoing review process by examining amendments and registrants' renewal submissions. **Figure 338** shows the number of securities applications and securities agents, dealers, advisers, and adviser representatives that the agency registered, or expects to register, from fiscal years 2018 to 2023, and the agency's projection of revenues deposited to the state Treasury from securities and dealer or agent applications during the same period. The total appropriation to the licensing program area is \$1.7 million in General Revenue Funds and 14.0 FTE positions for the 2022–23 biennium.

The final program area, administration, provides administrative and information technology support to the major programs administered by the agency. The State Securities Board is appropriated \$3.5 million in General Revenue Funds and 19.3 FTE positions for this purpose for the 2022–23 biennium.

**FIGURE 338**  
**STATE SECURITIES BOARD SELECTED PERFORMANCE MEASURES, FISCAL YEARS 2018 TO 2023**

YEAR	APPLICATIONS	TREASURY SECURITIES REVENUE (IN MILLIONS)	REGISTERED DEALERS AND AGENTS	TREASURY DEALER REVENUES (IN MILLIONS)
2018	63,336	\$148.1	469,523	\$8.0
2019	64,754	\$154.4	496,979	\$8.9
2020	63,496	\$168.4	493,397	\$8.5
2021	66,097	\$181.9	527,678	\$8.0
2022	52,200	\$115.0	342,000	\$8.0
2023	52,200	\$115.0	342,000	\$8.0

NOTE: Amounts for fiscal years 2022 and 2023 are estimated.  
SOURCE: State Securities Board.

## PUBLIC UTILITY COMMISSION OF TEXAS

**PURPOSE:** Protect customers, foster competition, and promote high-quality utility infrastructure in the state’s electric, telecommunication, and water and wastewater utility industries.

**ESTABLISHED:** 1975

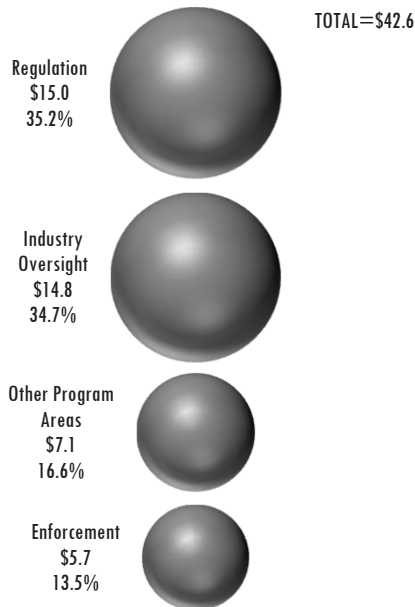
**AUTHORIZING STATUTE:** The Texas Utilities Code, §12.001

**GOVERNANCE:** Utility Commission—five members appointed by the Governor with the advice and consent of the Senate

**FIGURE 339**  
**PUBLIC UTILITY COMMISSION OF TEXAS BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$26.3	\$35.4	\$9.1	34.8%	<table border="1"> <tr> <td><b>2022</b></td> <td>234.0</td> </tr> <tr> <td><b>2023</b></td> <td>234.0</td> </tr> </table>	<b>2022</b>	234.0	<b>2023</b>	234.0
<b>2022</b>	234.0								
<b>2023</b>	234.0								
General Revenue–Dedicated Funds	\$5.9	\$6.2	\$0.3	5.3%					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$1.0	\$1.0	\$0.0	0.0%					
<b>Total, All Methods of Finance</b>	<b>\$33.1</b>	<b>\$42.6</b>	<b>\$9.4</b>	<b>28.5%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

**Appropriations increased by \$5.1 million** in General Revenue Funds and General Revenue–Dedicated Funds for enhanced oversight of the Electric Reliability Council of Texas and external communications, and to restore the 5.0 percent reductions from the 2020–21 biennium.

Appropriations include a **\$2.7 million increase** in General Revenue Funds and 10.0 full-time-equivalent (FTE) positions to **prepare for and respond** to winter storm emergencies.

Appropriations include a **\$1.7 million increase** in General Revenue Funds for **two additional commissioners and their staff** (6.0 FTE positions).

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Appropriations to the Public Utility Commission (PUC) for the 2022–23 biennium include an All Funds increase of \$9.4 million from 2020–21 biennial spending levels. The increase includes a restoration of the 5.0 percent reductions from the 2020–21 biennium, 16.0 full-time-equivalent (FTE) positions to enhance oversight of the Electric Reliability Council of Texas (ERCOT) and external communications, 10.0 FTE positions to prepare for and respond to winter emergencies, and 6.0 positions for two additional commissioners and their staff. These appropriation increases were prompted by Winter Storm Uri, which precipitated a grid event of unprecedented severity in February 2021, causing power to millions of Texas electricity customers to be interrupted.

## PROGRAMS

The agency regulates the state’s electric, telecommunication, and water and wastewater utility industries through four major program areas: (1) regulation; (2) industry oversight; (3) enforcement; and (4) other program areas.

The regulation program oversees rates and services in the electric, telecommunication, and water and wastewater services utility industries. Regulation is the only program that crosses all three of the utility industries that the agency oversees. The program focuses primarily on providing rate regulation services to ensure that customers receive just and reasonable rates for their utilities. Of the total \$15.0 million in appropriations to this program area, \$8.1 million in General Revenue Funds is appropriated for electric utilities, \$5.8 million in General Revenue–Dedicated Funds is appropriated for water and wastewater utilities, and \$1.1 million in All Funds is appropriated for telecommunication utilities.

Industry oversight promotes awareness about changes and standards in the electric and telecommunication industries. The program encompasses electric and telecommunication utilities, and the majority of the resources are dedicated to oversight of the competitive electric market. Within the electric market, oversight consists of wholesale competition and retail competition for all customers of investor-owned utilities in ERCOT, whose boundaries contain approximately 90.0 percent of the state’s electric load, as shown in **Figure 340**. **Figure 341** shows the 20 most populous cities in Texas and the availability of retail competition in those cities. Overall, electric market oversight is allocated \$13.8 million in General Revenue Funds of the total \$14.8 million in All

Funds appropriated to this program area, and the remaining \$1.0 million in All Funds is dedicated to telecommunication market oversight.

The enforcement program area oversees the investigation and resolution of potential noncompliance with the Texas Utilities Code among electric and telecommunication utilities. This area includes the agency’s work related to audit and review, investigations, and notice of violations and administrative penalties. The program is appropriated a total of \$5.7 million in All Funds for the 2022–23 biennium.

Other program areas include electric and telecommunication industry awareness, customer dispute resolution, and agency administration programs. Within other program areas, \$2.5 million in All Funds is appropriated to promote consumer understanding of electric and telecommunication markets through the industry awareness program; \$2.3 million in All Funds is appropriated to assist customers in resolving disputes with electric and telecommunication utilities through the consumer dispute resolution program; and \$2.3 million in All Funds is appropriated to help support the agency’s administrative functions.

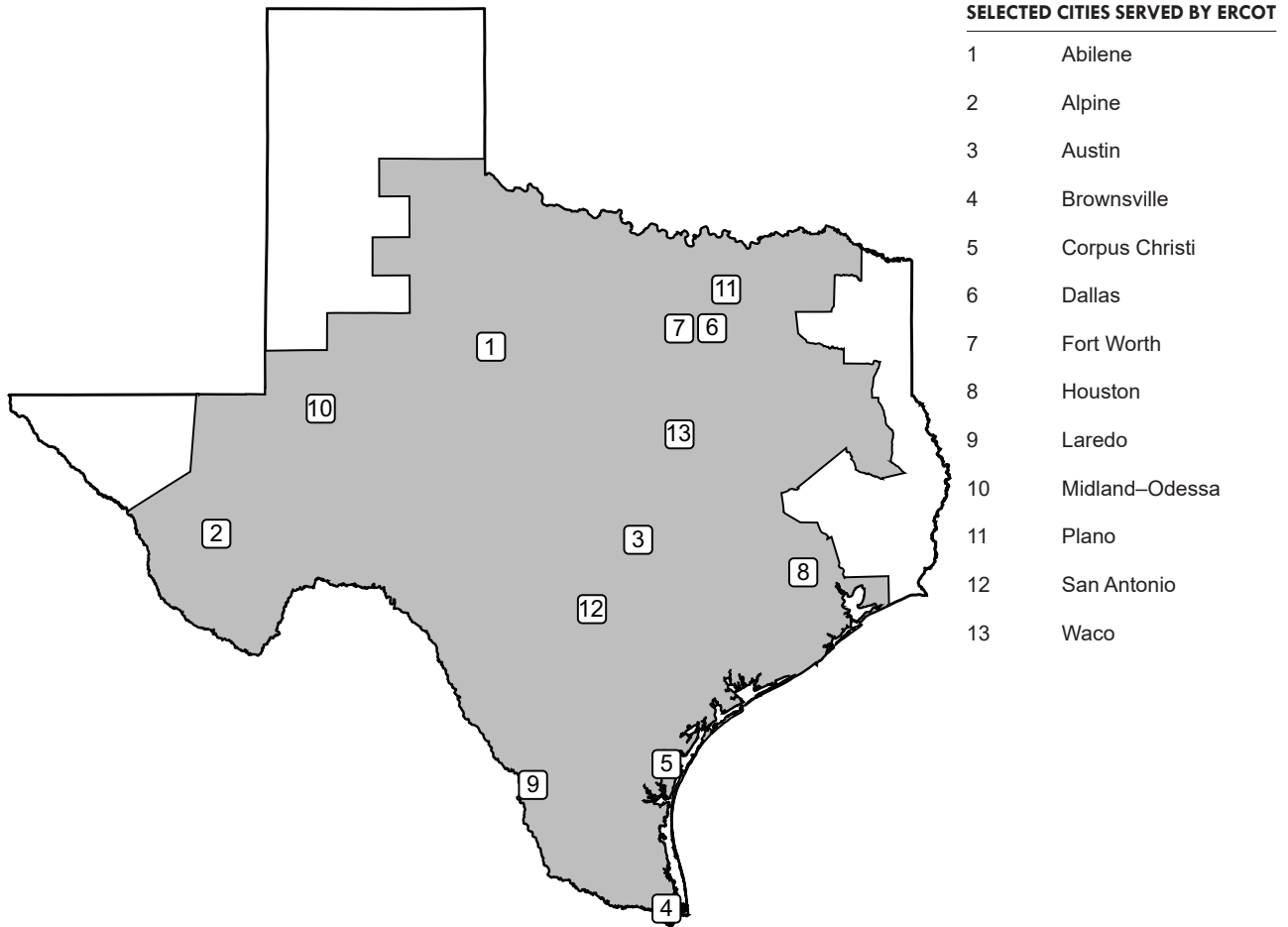
**Figure 342** shows the number of Texas counties that experienced electric utility outages during the winter storm in February 2021. The outages began on February 15 and were resolved almost completely by February 20.

## SIGNIFICANT LEGISLATION

**Senate Bill 3 – Preparing for and responding to weather emergencies and power outages.** The legislation requires PUC to develop rules and processes for critical electric suppliers to follow during energy emergencies. PUC will analyze electric utilities’ emergency operation plans, submit reports, and enforce penalties for not implementing plans. The legislation also requires PUC to work on mapping associated with the Texas Electric Supply Chain Security and Mapping Committee and provide a biennial report on weather emergency preparedness. PUC received \$2.7 million in General Revenue Funds and 10.0 FTE positions for the 2022–23 biennium to implement these provisions.

**Senate Bill 2154 – Membership of PUC.** The legislation increases the number of commissioners at the Public Utility Commission from three to five and amends the rules for commissioner eligibility. PUC received \$1.7 million in General Revenue Funds and 6.0 FTE positions for the 2022–23 biennium to implement this legislation.

**FIGURE 340**  
**ELECTRIC RELIABILITY COUNCIL OF TEXAS BOUNDARIES, FISCAL YEAR 2021**



SOURCE: Electric Reliability Council of Texas (ERCOT).

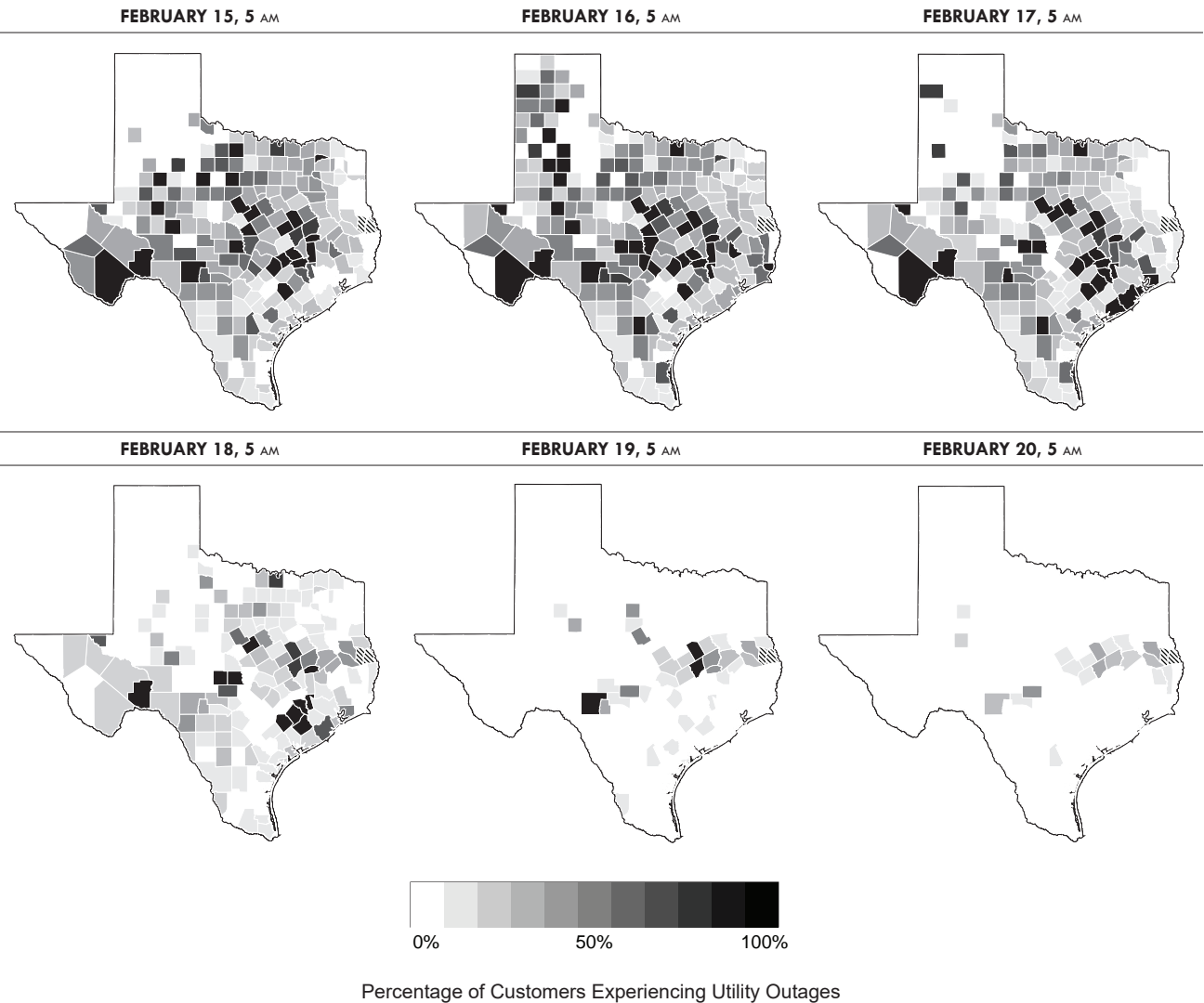
**FIGURE 341**  
**AVAILABILITY OF RESIDENTIAL ELECTRIC CHOICE IN MOST POPULOUS TEXAS CITIES, AS OF APRIL 1, 2020**

CITY	POPULATION	COMPETITION	CITY	POPULATION	COMPETITION
Houston	2,304,580	Yes	Lubbock	257,141	No
San Antonio	1,434,625	No	Irving	256,684	Yes
Dallas	1,304,379	Yes	Garland	246,018	Yes
Austin	961,855	No	Frisco	200,509	Yes
Fort Worth	918,915	Yes	Amarillo	200,393	No
El Paso	678,815	No	Grand Prairie	196,100	Yes
Arlington	394,266	Yes	McKinney	195,308	Yes
Corpus Christi	317,863	Yes	Brownsville	186,738	No
Plano	285,494	Yes	Killeen	153,095	Yes
Laredo	255,205	Yes	Pasadena	151,950	Yes

NOTE: Populations shown are based on U.S. Census Bureau 2020 data.  
 SOURCE: U.S. Census Bureau.



**FIGURE 342**  
**TEXAS COUNTIES EXPERIENCING ELECTRIC UTILITY OUTAGES, FEBRUARY 15–20, 2021**



NOTE: Data was not available for Sabine and San Augustine counties, which are shown in the figure with diagonal stripes.  
 SOURCE: Public Utility Commission of Texas.

## OFFICE OF PUBLIC UTILITY COUNSEL

**PURPOSE:** Ensure the availability of utility services at fair and reasonable rates by providing representation for Texas residential and small-business utility consumers in proceedings conducted by the Public Utility Commission, the Federal Energy Regulatory Commission, the Federal Communications Commission, and state and federal courts.

**ESTABLISHED:** 1983

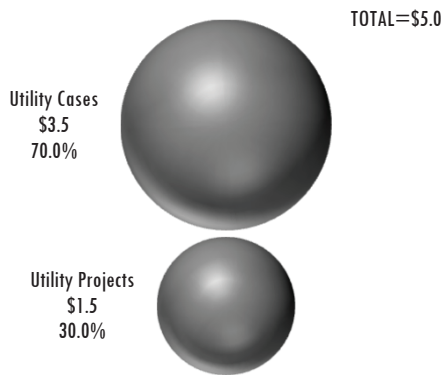
**AUTHORIZING STATUTE:** The Texas Utilities Code, §13.001, and the Texas Water Code, §13.017

**GOVERNANCE:** Public Counsel—appointed by the Governor with the advice and consent of the Senate

**FIGURE 343**  
**OFFICE OF PUBLIC UTILITY COUNSEL BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$3.1	\$4.0	\$0.9	29.7%	<table border="1"> <tr> <td><b>2022</b></td> <td>25.5</td> </tr> <tr> <td><b>2023</b></td> <td>25.5</td> </tr> </table>	<b>2022</b>	25.5	<b>2023</b>	25.5
<b>2022</b>	25.5								
<b>2023</b>	25.5								
General Revenue–Dedicated Funds	\$0.9	\$1.0	\$0.0	5.3%					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$0.0	\$0.0	\$0.0	N/A					
<b>Total, All Methods of Finance</b>	<b>\$4.1</b>	<b>\$5.0</b>	<b>\$1.0</b>	<b>24.1%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Appropriations for the 2022–23 biennium increased by \$1.0 million from the 2020–21 biennial spending level, primarily for **additional staff to support increased electric and water utility cases**.

The Office of Public Utility Counsel anticipates completing **30 cases** and **26 projects** during the 2022–23 biennium.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING AND PROGRAMS

The responsibility of the Office of Public Utility Counsel (OPUC) is to represent residential and small-business utility customers. This responsibility is carried out in two main program areas: (1) utility cases; and (2) utility projects. The agency represents customers of electric, telecommunication, and water and wastewater service utilities.

Participation in utility cases consists of providing representation for consumers in major utility cases for judicial proceedings, lawsuits, and other litigation. The agency completed 51 cases during fiscal year 2021 and anticipates completing 30 cases during each fiscal year of the 2022–23 biennium. This program area is appropriated \$3.5 million in General Revenue Funds and General Revenue–Dedicated Funds and 19.5 full-time-equivalent (FTE) positions.

OPUC participates in utility cases by providing representation for consumers in judicial proceedings, including those in which utility regulators adopt rules or regulations for competitive issues, consumer safeguards, rate making, and new or advanced technologies and services. The agency completed 28 projects during fiscal year 2021 and anticipates completing 26 projects during each fiscal year of the 2022–23 biennium. This program area is appropriated \$1.5 million in General Revenue Funds and General Revenue–Dedicated Funds and 6.0 FTE positions. Appropriations for OPUC increased from the 2020–21 biennial spending level by \$1.0 million to help the agency participate in more rule-making and policy projects at PUC and to provide more consumer advocacy with ERCOT in response to winter storm events.

## SIGNIFICANT LEGISLATION

**House Bill 3853 – Middle mile broadband service provided by an electric utility.** OPUC received \$0.2 million in General Revenue Funds for the 2022–23 biennium to implement the provisions of the legislation, which is intended to extend the availability of broadband service to more customers in the state.

## HEALTH-RELATED LICENSING AGENCIES

**PURPOSE:** Health-related licensing boards and commissions regulate certain occupations and industries within the state of Texas. Agencies ensure licensee qualifications and standards are met and that quality of care is maintained through licensing and enforcement programs.

**ESTABLISHED:** Varies; 1907–2019

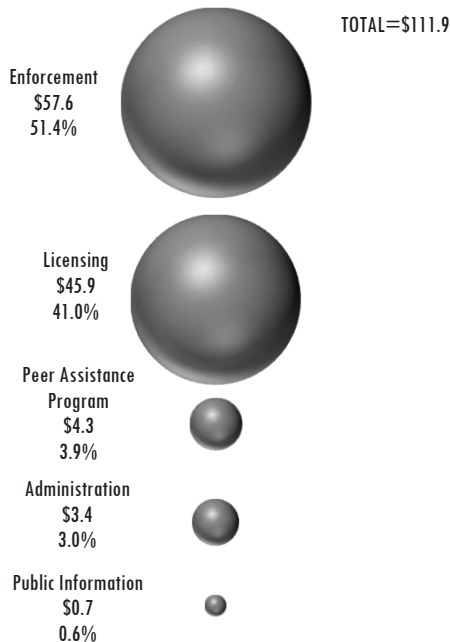
**AUTHORIZING STATUTE:** Varies; the Texas Occupations Code, Chapters 101, 152, 201, 252, 301, 351, 452, 501, 507, 552, 651, 801

**GOVERNANCE:** Varies; typically appointed by the Governor with advice and consent of the Senate

**FIGURE 344**  
**HEALTH-RELATED LICENSING AGENCIES BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME-EQUIVALENT POSITIONS				
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE					
General Revenue Funds	\$81.0	\$89.7	\$8.7	10.7%	<table border="1"> <tr> <td><b>2022</b></td> <td>668.2</td> </tr> <tr> <td><b>2023</b></td> <td>668.2</td> </tr> </table>	<b>2022</b>	668.2	<b>2023</b>	668.2
<b>2022</b>	668.2								
<b>2023</b>	668.2								
General Revenue–Dedicated Funds	\$6.0	\$5.9	(\$0.2)	(2.6%)					
Federal Funds	\$0.0	\$0.0	\$0.0	N/A					
Other Funds	\$13.9	\$16.4	\$2.4	17.5%					
<b>Total, All Methods of Finance</b>	<b>\$101.0</b>	<b>\$111.9</b>	<b>\$10.9</b>	<b>10.8%</b>					

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

The Board of Veterinary Medical Examiners was reviewed through the Sunset process and continued until September 1, 2029.

All of the health-related licensing agencies will relocate into the George H.W. Bush Building in fiscal year 2022. The Eighty-seventh Legislature, Regular Session, 2021, appropriated **\$4.0 million in General Revenue Funds to address moving-related expenses.**

Five health-related licensing agencies received an increase of **\$0.3 million** in General Revenue Funds for an upgrade to the **shared regulatory database** managed by the Health Professions Council.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Health-related licensing agencies include the following 10 agencies: the Behavioral Health Executive Council, the Board of Chiropractic Examiners, the Texas State Board of Dental Examiners, the Funeral Service Commission, the Texas Medical Board, the Texas Board of Nursing, the Optometry Board, the Board of Pharmacy, the Executive Council of Physical Therapy and Occupational Therapy Examiners, and the Board of Veterinary Medical Examiners. Additionally, funding for the Health Professions Council (HPC), which coordinates regulatory efforts with the 10 health-related licensing agencies and four non-health-related licensing agencies, is included in this section.

The 10 health-related licensing agencies are subject to a legislative requirement that fee-generated revenues cover the cost of agency appropriations and other direct and indirect costs appropriated elsewhere in the General Appropriations Act. These agencies generate revenue from the regulated occupations and industries in addition to these direct and indirect amounts, and the excess revenue is deposited to the state Treasury for use in funding other programs across the state.

All Funds appropriations for agencies in this section increased by \$10.9 million and 15.0 full-time-equivalent (FTE) positions in the 2022–23 biennium. This includes an increase of \$4.0 million in General Revenue Funds across all health-related agencies for expenses related to relocating into the George H.W. Bush Building in fiscal year 2022. Five health-related agencies received funding for increased costs associated with an upgrade to the shared regulatory database managed by the HPC. The salary authority for exempt positions increased for the Texas Board of Nursing and the Funeral Services Commission. These agencies were appropriated \$5,316 and \$10,822, respectively, in General Revenue Funds for this purpose.

Appropriations for the Behavioral Health Executive Council (BHEC) increased by \$5.1 million for the 2022–23 biennium. The increase represents two full years of funding for agency operations, adjustments to appropriated receipts to more accurately represent revenue generated, and the addition of 4.0 licensing FTE positions. Licensing responsibilities for certain professions were transferred from the Health and Human Services Commission to BHEC at the beginning of fiscal year 2021 due to House Bill 1501, Eighty-sixth Legislature, 2019. These additional positions are intended to address licensing backlogs associated with the social work and counseling programs that transferred.

The Eighty-seventh Legislature, 2021, evaluated the Board of Veterinary Medical Examiners through the Sunset review process and continued the agency for eight years.

## PROGRAMS

Health-related licensing agencies enforce occupational code and practice standards for certain professions through five major program areas: (1) enforcement; (2) licensing; (3) peer assistance programs; (4) administration; and (5) public information. **Figure 345** shows certain agency performance measures, FTE positions, and funding from fiscal years 2019 to 2023 for each of the health-related licensing agencies.

Enforcement activities include routine inspections of facilities, investigating patient complaints about a licensee or quality of care, and suspending or revoking licenses of violators of the agency's practice standards. Appropriations for enforcement programs at the health-related licensing agencies total \$57.6 million in All Funds for the 2022–23 biennium.

Health-related licensing agencies ensure licensee qualifications and practice standards for the regulated professions. Licensing activities include verifying credentials of applicants and facilities, updating licensee databases, and ensuring that continuing education requirements and ethical standards are met. Appropriations for licensing programs at health-related licensing agencies total \$45.9 million in All Funds for the 2022–23 biennium.

The Board of Pharmacy manages the Prescription Monitoring Program (PMP), which collects and monitors prescription data for controlled substances for prescribers, pharmacies, and patients through an online database. All pharmacists and prescribers, except veterinarians, are required to check patient history in the PMP database before prescribing or dispensing certain controlled substances. Six health-related licensing agencies and one non-health-related agency, including the Texas Medical Board, the Optometry Board, the Texas State Board of Dental Examiners, the Texas Board of Nursing, the Board of Veterinary Medical Examiners, the Texas Department of Licensing and Regulation, and the Board of Pharmacy contribute to the funding of the PMP. Appropriations for the PMP total \$5.0 million in General Revenue Funds and 14.0 FTE positions for the 2022–23 biennium.

Certain health-related licensing agencies participate in peer assistance programs for licensees with impairments, such as chemical abuse or dependency and certain mental health

**FIGURE 345**  
**HEALTH-RELATED AGENCIES ACTIVITIES AND FUNDING, FISCAL YEARS 2019 TO 2023**

AGENCY	2019 EXPENDED	2020 EXPENDED	2021 ESTIMATED	2022 APPROPRIATED	2023 APPROPRIATED
<b>Behavioral Health Executive Council (1)</b>					
Licenses Issued (Individuals)	N/A	N/A	40,145	49,800	51,800
Complaints Resolved	N/A	N/A	1,159	1,000	1,200
All Funds Total	N/A	\$635,008	\$4,007,905	\$4,917,405	\$4,779,174
Full-time-equivalent (FTE) Positions	N/A	1.0	64.0	68.0	68.0
<b>Board of Chiropractic Examiners</b>					
Licenses Issued (Individual)	3,416	4,051	3,608	3,375	3,375
Complaints Resolved	206	175	124	350	350
All Funds Total	\$810,584	\$809,391	\$888,983	\$970,778	\$930,778
FTE Positions	9.8	9.5	13.0	14.0	14.0
<b>Texas State Board of Dental Examiners</b>					
Licenses Issued (Individual)	47,768	44,208	48,854	40,000	40,000
Licenses Issued (Facilities)	802	696	815	850	850
Complaints Resolved	1080	816	903	1,000	1,000
All Funds Total	\$4,457,814	\$4,396,307	\$4,285,951	\$4,662,190	\$4,548,074
FTE Positions	51.3	56.6	59.0	59.0	59.0
<b>Funeral Service Commission</b>					
Licenses Issued (Individual)	2,844	2,700	2,693	2,630	2,630
Licenses Issued (Facilities)	1,740	1,653	1,641	830	830
Complaints Resolved	123	85	217	100	100
All Funds Total	\$828,4405	\$789,640	\$858,367	\$914,251	\$875,156
FTE Positions	11.0	9.4	10.0	11.0	11.0
<b>Texas Medical Board (2)</b>					
Licenses Issued (Individuals)	54,963	59,002	60,807	85,910	88,210
Complaints Resolved	2,127	2,240	1,858	2,000	2,000
All Funds Total	\$13,772,993	\$13,119,834	\$13,142,085	\$17,690,795	\$14,378,319
FTE Positions	185.5	189.5	217.5	224.5	224.5
<b>Texas Board of Nursing (2)</b>					
Licenses Issued (Individuals)	250,795	233,605	244,342	262,250	262,250
Complaints Resolved	15,401	11,856	14,042	13,250	13,250
All Funds Total	\$12,119,700	\$13,119,834	\$13,081,154	\$13,722,475	\$13,525,341
FTE Positions	112.9	113.9	125.7	125.7	125.7
<b>Optometry Board</b>					
Licenses Issued (Individuals)	4,983	4,985	5,120	4,449	4,449
Complaints Resolved	135	111	158	140	140
All Funds Total	\$496,867	\$518,020	\$455,782	\$556,723	\$518,007
FTE Positions	7.0	7.0	7.0	7.0	7.0

**FIGURE 345 (CONTINUED)**  
**HEALTH-RELATED AGENCIES ACTIVITIES AND FUNDING, FISCAL YEARS 2019 TO 2023**

AGENCY	2019 EXPENDED	2020 EXPENDED	2021 ESTIMATED	2022 APPROPRIATED	2023 APPROPRIATED
<b>Board of Pharmacy (2)(3)</b>					
Licenses Issued (Individual)	21,391	20,932	21,529	21,250	21,500
Licenses Issued (Facilities)	8,210	8,210	8,422	8,300	8,350
Complaints Resolved	5,694	5,493	5,626	5,420	5,420
All Funds Total	\$15,237,000	\$9,670,412	\$10,520,741	\$10,158,832	\$10,135,114
FTE Positions	92.8	96.1	110.0	110.0	110.0
<b>Executive Council of Physical Therapy and Occupational Therapy Examiners</b>					
Licenses Issued (Individuals)	22,600	23,412	24,208	23,450	23,775
Complaints Resolved	674	825	1,345	1,025	1,075
All Funds Total	\$1,528,548	\$1,365,613	\$1,368,577	\$1,433,576	\$1,393,824
FTE Positions	19.7	19.7	20.0	20.0	20.0
<b>Board of Veterinary Medical Examiners</b>					
Licenses Issued (Individuals)	10,770	11,339	11,806	11,100	11,100
Complaints Resolved	213	208	448	430	430
All Funds Total	\$1,311,397	\$1,317,431	\$1,334,790	\$1,473,491	\$1,409,791
FTE Positions	18.3	19.0	20.0	21.0	21.0
<b>Health Professions Council</b>					
All Funds Total	\$1,086,586	\$1,121,744	\$1,181,869	\$1,556,899	\$1,372,832
FTE Positions	7.0	7.0	7.0	8.0	8.0

## NOTES:

- (1) House Bill 1501, Eighty-sixth Legislature, 2019, established the Behavioral Health Executive Council, which began regulatory operations in fiscal year 2021.
- (2) Licenses Issued is the sum of new and renewal numbers for licenses and registrations that are reported as key performance measures and included in the Eighty-seventh Legislature, General Appropriations Act, 2022–23 Biennium. The data for Licenses Issued (Individual) shown for the Texas Medical Board, Board of Nursing, and Board of Pharmacy include license types issued that are not captured in key performance measures.
- (3) Senate Bill 500, Eighty-sixth Legislature, 2019, provided a supplemental appropriation of \$6.1 million in General Revenue Funds for fiscal year 2019 to the Board of Pharmacy.

SOURCES: Legislative Budget Board; Board of Chiropractic Examiners; Texas State Board of Dental Examiners; Funeral Service Commission; Texas Medical Board; Texas Board of Nursing; Optometry Board; Board of Pharmacy; Executive Council of Physical Therapy and Occupational Therapy Examiners; Behavioral Health Executive Council; Health Professions Council; and Board of Veterinary Medical Examiners.

diagnoses, to receive treatment and monitoring before returning to work. Agencies that participate in the peer assistance programs include the following: the Texas Board of Nursing, Board of Pharmacy, Optometry Board, Texas State Board of Dental Examiners, and Board of Veterinary Medical Examiners. The Texas Medical Board operates the Texas Physician Health program, which is similar in function to other health-related agencies' peer assistance programs but is attached administratively to the Texas Medical Board. Appropriations for peer assistance programs total \$4.3 million for the 2022–23 biennium. These appropriations are subject to a provision in the Eighty-

seventh Legislature, General Appropriations Act, 2022–23 Biennium, which authorizes Regulatory agencies that have peer assistance programs to take part in the Statewide Behavioral Health Coordinating Council alongside the other agencies required to participate. This council was established to coordinate the expenditure of funds for behavioral health programs across the state.

HPC provides shared support for participating agencies, including information technology support, accounting, and training. Appropriations for HPC shared support services total \$2.9 million for the 2022–23 biennium and are funded

through Interagency Contracts with the participating health-related and non-health-related licensing agencies.

The Texas Medical Board also oversees the public education program, which assists in establishing continuing education standards and educating the public regarding medical malpractice. Appropriations for the public education program total \$0.7 million for the 2022–23 biennium.

## **SIGNIFICANT LEGISLATION**

**House Bill 1616 – Authorizing Texas to join the Interstate Medical Licensure Compact.** The legislation requires the Texas Medical Board (TMB) to issue expedited licensure to qualified and eligible applicants seeking to practice medicine in multiple states under the terms and provisions of the compact. The legislation authorizes TMB to impose a fee for a license issued or renewed through the compact and to manage enforcement activities related to those licensed through the compact.

**Senate Bill 713 – Continuation of the Board of Veterinary Medical Examiners (BVME).** The BVME’s Sunset legislation continues the agency until September 1, 2029. The legislation requires the Sunset Advisory Commission to conduct a special-purpose review of the BVME for the Eighty-eighth Legislature, 2023, limited to reviewing the implementation of the agency’s database system and its processes and procedures for collecting and analyzing data. The legislation also requires the State Auditor’s Office to conduct an effectiveness audit to evaluate the BVME’s implementation of data-related recommendations made in the Sunset Advisory Commission’s report on the BVME submitted to the Eighty-fifth Legislature, Regular Session, 2017, that were identified as not fully implemented in the Sunset Advisory Commission’s report submitted to the Eighty-seventh Legislature, Regular Session, 2021.



## OTHER REGULATORY AGENCIES

**PURPOSE:** Other regulatory agencies consist of the Board of Professional Geoscientists and the Board of Plumbing Examiners, which oversee the regulation of certain occupations within Texas. Agencies ensure licensee qualifications and standards are maintained through licensing and enforcement programs.

**ESTABLISHED:** Geoscientists – 2001, Plumbing – 1947

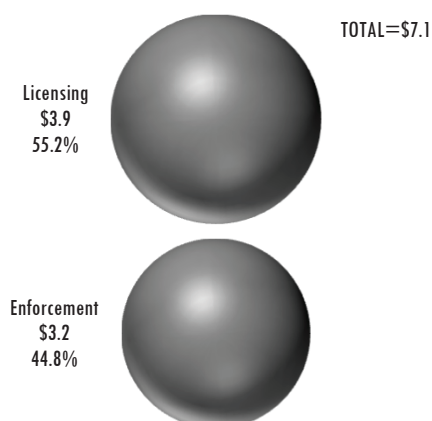
**AUTHORIZING STATUTE:** The Texas Occupations Code, Sections 1002.001 and 1301.001

**GOVERNANCE:** Nine-member boards appointed by the Governor with advice and consent of the Senate

**FIGURE 346**  
**OTHER REGULATORY AGENCIES BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)				APPROPRIATED FULL-TIME- EQUIVALENT POSITIONS
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE	
General Revenue Funds	\$7.0	\$7.1	\$0.1	1.1%	<b>2022</b> 49.5  <b>2023</b> 49.5
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A	
Federal Funds	\$0.0	\$0.0	\$0.0	N/A	
Other Funds	\$0.1	\$0.1	(\$0.0)	(2.3%)	
<b>Total, All Methods of Finance</b>	<b>\$7.1</b>	<b>\$7.1</b>	<b>\$0.1</b>	<b>1.1%</b>	

### AGENCY PROGRAM AREAS BY APPROPRIATION (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

Funding for the Board of Geoscientists includes an increase of **\$0.1 million to restore funds for staff and for the planned relocation to the George H.W. Bush Building during fiscal year 2022.**

Funds are decreased by \$0.3 million because the Board of Professional Land Surveying is now a **self-directed, semi-independent state agency** with funding outside the state Treasury.

Funding at the **Board of Plumbing Examiners** includes an increase of **\$0.3 million and 4.0 full-time-equivalent positions** for a customer service representative, criminal history record reviews, and personnel compensation. House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, the supplemental appropriations bill, provides an increase of \$0.1 million in fiscal year 2021 for certain information technology enhancements and fleet vehicle replacements.

SOURCE: Legislative Budget Board.

## MAJOR FUNDING

Other regulatory agencies include the Board of Professional Geoscientists and the Board of Plumbing Examiners. These agencies participate in shared services through the Health Professions Council. All Funds appropriations for these agencies for the 2022–23 biennium, including reductions related to the Board of Professional Land Surveying, increased by \$0.1 million and decreased by 1.0 full-time-equivalent (FTE) positions.

House Bill 636, Eighty-seventh Legislature, Regular Session, 2021, continues the Texas State Board of Plumbing Examiners and its functions until September 1, 2027.

These regulatory agencies are subject to a legislative requirement that fee-generated revenues cover the cost of agency appropriations and other direct and indirect costs appropriated in the General Appropriations Act. These agencies generate revenue from the regulated occupations and industries in addition to direct and indirect appropriations, and the excess revenue is deposited to the state Treasury for use in funding other programs across the state.

## PROGRAMS

These regulatory agencies enforce occupational code and practice standards for their professions through two

major program areas: licensing and enforcement. **Figure 347** shows total appropriations and FTE positions for each agency and certain performance measures related to the agency's licensing and enforcement programs.

Licensing activities include verifying credentials of applicants and facilities, updating licensee databases, and ensuring that continuing education requirements and ethical standards are met. Appropriations for licensing programs at these regulatory agencies total \$3.9 million in All Funds for the 2022–23 biennium.

Enforcement activities include routine inspections of facilities, investigating consumer complaints about licensees or quality of services, and suspending or revoking licenses for violations of the agency's standards. Appropriations for enforcement programs at these agencies total \$3.2 million in All Funds for the 2022–23 biennium.

## SIGNIFICANT LEGISLATION

**House Bill 636 – Continuing the functions of the Texas State Board of Plumbing Examiners.** The legislation continues the Texas State Board of Plumbing Examiners until September 1, 2027.

**FIGURE 347**  
**OTHER REGULATORY AGENCIES PERFORMANCE AND FUNDING, FISCAL YEARS 2019 TO 2023**

AGENCY	2019 EXPENDED	2020 ESTIMATED	2021 BUDGETED	2022 APPROPRIATED	2023 APPROPRIATED
<b>Board of Professional Geoscientists</b>					
Number of Licensees	3,614	3,394	3,338	4,200	4,200
Complaints Resolved	22	9	8	40	40
All Funds Total	\$563,016	\$539,965	\$595,637	\$650,749	\$598,655
Full-time-equivalent Positions	5.0	4.6	7.5	7.5	7.5
<b>Board of Plumbing Examiners</b>					
Number of Licensees	56,499	55,211	58,967	55,200	56,700
Complaints Resolved	1,041	864	864	975	1,000
All Funds Total	\$2,646,804	\$2,806,182	\$2,819,502	\$2,952,684	\$2,942,284
Full-time-equivalent Positions	26.4	29.9	38.0	42.0	42.0

NOTE: (1) The number of licensees is a sum of these agencies' key performance measures for new and renewal licenses.  
SOURCES: Legislative Budget Board; Board of Professional Geoscientists; Board of Plumbing Examiners.

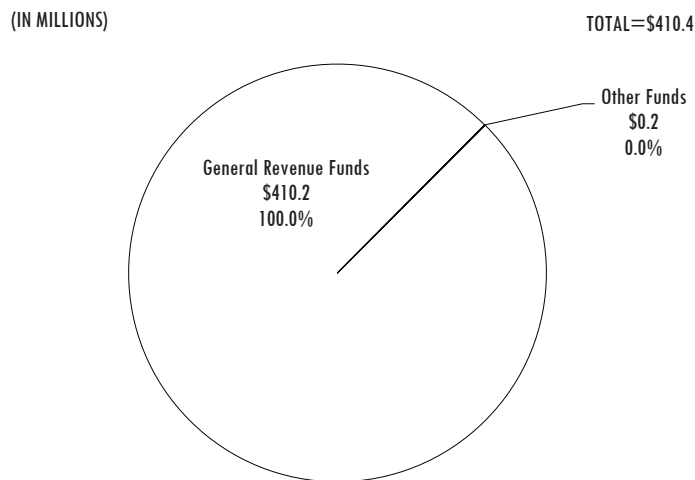
## 12. LEGISLATURE

All powers of the state’s legislative branch are vested in the Texas Senate and the Texas House of Representatives. The Legislature convenes biennially in Austin for a 140-day regular session, beginning on the second Tuesday in January of each odd-numbered year, to conduct a regular order of business outlined in the Texas Constitution. Appropriations support the operations of these entities and six other legislative entities, which include the Legislative Budget Board, Legislative Council, Sunset Advisory Commission, Commission on Uniform State Laws, State Auditor’s Office, and Legislative Reference Library.

**FIGURE 348**  
**ARTICLE X – LEGISLATURE, BY METHOD OF FINANCE**

METHOD OF FINANCE	(IN MILLIONS)			
	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$408.1	\$410.2	\$2.2	0.5%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$0.1	\$0.2	\$0.1	58.6%
<b>Total, All Methods of Finance</b>	<b>\$408.2</b>	<b>\$410.4</b>	<b>\$2.2</b>	<b>0.5%</b>

### SHARE OF FUNDING BY METHOD OF FINANCE (IN MILLIONS)



### SIGNIFICANT DEVELOPMENTS

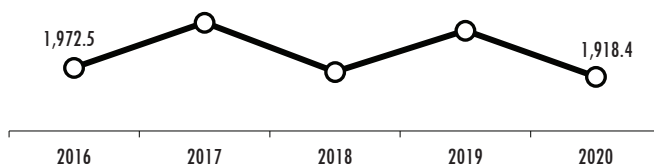
The Eighty-seventh Legislature, 2021, **passed 1,097 of 8,182 filed bills and 10 of 329 joint resolutions** during its regular and called sessions. In addition, the Legislature passed **114 of 240 concurrent resolutions and 3,307 of 3,445 resolutions**. The Legislative Council drafted **11,637 bills and joint resolutions** requested by the Legislature.

**The Legislative Budget Board (LBB) completed 6,984 Fiscal Notes and 1,003 Impact Statements.** In addition, from November 2019 to October 2021, the LBB conducted **three School Performance Reviews**.

The Legislature passed **12 Sunset review bills containing 78.0 percent of the Sunset Advisory Commission’s 115 recommendations.** In addition, **the agency will conduct 21 reviews** during the interim.

The **State Auditor’s Office Audit and Review Team completed 36 audits and other projects** related to state agencies, higher education institutions, and other entities **during fiscal year 2021.**

### FULL-TIME-EQUIVALENT POSITIONS



NOTES: Excludes Interagency Contracts. Full-time-equivalent positions show actual positions for fiscal years 2016 to 2020.  
SOURCES: Legislative Budget Board; State Auditor’s Office.

**FIGURE 349**  
**ARTICLE X – LEGISLATURE, ALL FUNDS**

(IN MILLIONS) FUNCTION	ESTIMATED/BUDGETED 2020–21	APPROPRIATED 2022–23	BIENNIAL CHANGE	PERCENTAGE CHANGE
Senate	\$71.7	\$71.7	\$0.0	0.0%
House of Representatives	\$91.7	\$91.7	\$0.0	0.0%
Legislative Budget Board	\$26.4	\$26.4	\$0.0	0.0%
Legislative Council	\$83.8	\$83.8	\$0.0	0.0%
Commission on Uniform State Laws	\$0.3	\$0.3	\$0.1	20.8%
Sunset Advisory Commission	\$4.5	\$4.5	\$0.0	0.0%
State Auditor's Office	\$42.9	\$43.6	\$0.7	1.6%
Legislative Reference Library	\$3.5	\$3.5	\$0.0	0.0%
<b>Subtotal, Legislature</b>	<b>\$324.7</b>	<b>\$325.5</b>	<b>\$0.8</b>	<b>0.2%</b>
Retirement and Group Insurance	\$74.8	\$76.8	\$2.0	2.7%
Social Security and Benefits Replacement Pay	\$17.4	\$17.5	\$0.1	0.6%
Lease Payments	\$0.0	\$0.0	\$0.0	N/A
<b>Subtotal, Employee Benefits and Debt Service</b>	<b>\$92.2</b>	<b>\$94.3</b>	<b>\$2.1</b>	<b>2.3%</b>
Less Interagency Contracts	\$8.7	\$9.4	\$0.6	7.1%
<b>Total, All Functions</b>	<b>\$408.2</b>	<b>\$410.4</b>	<b>\$2.2</b>	<b>0.5%</b>

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.

## MAJOR FUNDING

Appropriations made to the Legislature total \$410.4 million in All Funds for the 2022–23 biennium, an increase of \$2.2 million, or 0.5 percent, from the 2020–21 biennial spending level. These appropriations primarily include the following changes:

- an increase of \$2.1 million in General Revenue Funds for employee benefits;
- an increase of \$60,000 in General Revenue Funds for the Commission on Uniform State Laws for additional commission members; and
- appropriations made directly to the Sunset Advisory Commission and Legislative Budget Board, replacing the previous funding method of rider appropriations.

Although Article X appropriations and appropriation authority in Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021, were vetoed by the Governor, House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021, restored those vetoed appropriations and appropriation authority.

## SENATE

The Senate consists of 31 senators elected to staggered four-year terms of office. Its primary duties include legislating all Texas laws and resolutions, approving the state budget, submitting all constitutional amendments to Texas voters, confirming most gubernatorial appointees, and electing a President pro tempore from its members at the beginning and ending of each legislative session. This person performs the duties of the Lieutenant Governor in his or her absence or incapacitation. The Lieutenant Governor, the presiding officer (President) of the Senate, is elected statewide and serves a four-year term. The Secretary of the Senate, elected by Senate members, is the chief executive administrator and is in charge of central Senate operations. Appropriations for the 2022–23 biennium to fund Senate operations total \$71.7 million in General Revenue Funds.

The Lieutenant Governor appoints all committee chairs and members of Senate standing and select committees, and refers bills to the committees. Approximately 21 standing, select, interim, and joint committees study selected topics, or charges, assigned by the Lieutenant Governor between legislative sessions and receive bills for hearing and referral back to the full Senate for consideration during the session. **Figure 350** shows the number of bills and resolutions filed, passed, and vetoed during the Eighty-seventh Legislature, 2021. The Senate passed 509 bills and joint resolutions, or 19.8 percent of the 2,568 bills and joint resolutions filed by the Senate. These amounts exclude 773 resolutions, which were passed in honor or acknowledgement of individuals and entities. Eight bills originating in the Senate were vetoed by the Governor.

## HOUSE OF REPRESENTATIVES

The House of Representatives consists of 150 representatives elected during even-numbered years to two-year terms of office. At the beginning of each regular legislative session, the House elects the Speaker of the House from its members to serve as the presiding officer. Primary duties of the House of Representatives include legislating all Texas laws and resolutions, submitting all constitutional amendments for voter approval, and approving the state budget. In addition, all legislation that increases state taxation must originate in the House. Appropriations for 2022–23 biennium for the operations of the House of Representatives total \$91.7 million in General Revenue Funds.

The Speaker appoints all chairs and members of House standing and select committees and refers all bills to the committees for consideration. House committees, including 36 standing, select, and joint committees, study selected topics, or charges, assigned by the Speaker between legislative sessions and receive bills for hearing and referral back to the full House for consideration during the legislative session. **Figure 350** shows the number of bills and resolutions filed, passed, and vetoed during the Eighty-seventh Legislature, 2021. The House passed 598 bills and joint resolutions, or 10.7 percent of the 5,614 bills and joint resolutions filed by the House. These amounts exclude 2,534 resolutions, which were passed in honor or acknowledgement of individuals and entities. Twelve bills originating in the House were vetoed by the Governor.

**FIGURE 350**  
**LEGISLATION FILED, PASSED, AND VETOED FOR THE LEGISLATIVE SESSIONS, FISCAL YEARS 2017 TO 2021**

CHAMBER	85TH LEGISLATURE			86TH LEGISLATURE			87TH LEGISLATURE			CHANGE FROM 86TH TO 87TH LEGISLATURES		
	FILED	PASSED	VETOED	FILED	PASSED	VETOED	FILED	PASSED	VETOED	FILED	PASSED	VETOED
<b>Senate</b>												
Bills	2,420	517	15	2,559	460	15	2,479	503	8	(80)	43	(7)
Concurrent Resolutions	65	29	0	68	23	0	76	51	0	8	28	0
Joint Resolutions	68	6	0	70	3	0	89	6	0	19	3	0
Resolutions	1,124	1,122	0	865	862	0	787	773	0	(78)	(89)	0
<b>Senate Total</b>	<b>3,677</b>	<b>1,674</b>	<b>15</b>	<b>3,562</b>	<b>1,608</b>	<b>15</b>	<b>3,431</b>	<b>1,333</b>	<b>8</b>	<b>(131)</b>	<b>(15)</b>	<b>(7)</b>
<b>House</b>												
Bills	4,719	706	36	4,765	969	41	5,374	594	12	609	(375)	(29)
Concurrent Resolutions	159	70	0	186	102	2	164	63	0	(22)	(39)	(2)
Joint Resolutions	153	3	0	147	7	0	240	4	0	93	(3)	0
Resolutions	3,209	3,175	0	2,707	2,155	0	2,658	2,534	0	441	379	0
<b>House Total</b>	<b>8,240</b>	<b>3,954</b>	<b>36</b>	<b>8,307</b>	<b>4,253</b>	<b>43</b>	<b>8,436</b>	<b>3,195</b>	<b>12</b>	<b>1,121</b>	<b>(38)</b>	<b>(31)</b>
<b>Senate and House</b>												
Bills	7,139	1,223	51	7,324	1,429	56	8,182	1,097	20	529	(332)	(36)
Concurrent Resolutions	224	99	0	254	125	2	240	114	0	(14)	(11)	(2)
Joint Resolutions	221	9	0	217	10	0	329	10	0	112	0	0
Resolutions	4,333	4,297	0	3,082	3,017	0	3,445	3,307	0	363	290	0
<b>Total</b>	<b>11,917</b>	<b>5,628</b>	<b>51</b>	<b>10,877</b>	<b>4,581</b>	<b>58</b>	<b>11,867</b>	<b>4,528</b>	<b>20</b>	<b>990</b>	<b>(53)</b>	<b>(38)</b>

NOTE: Includes all Regular and Called sessions.  
SOURCE: Legislative Reference Library.

## LEGISLATIVE BUDGET BOARD

The Legislative Budget Board (LBB) is a permanent joint committee made up of 10 members including the Lieutenant Governor (joint chair), the Speaker of the House of Representatives (joint chair), the chair of the House Committee on Appropriations, the chair of the House Committee on Ways and Means, the chair of the Senate Finance Committee, three members of the Senate appointed by the Lieutenant Governor, and two members of the House of Representatives appointed by the Speaker. The board is assisted by the LBB Director and staff.

The agency serves the analysis and fiscal policy needs of the Texas Legislature through a range of responsibilities required in general law, directed by the General Appropriations Act, and designated by the Board and its staff. LBB also provides a range of services and informative documents to serve and keep the Legislature informed about significant budget and performance developments among state agencies. Appropriations for 2022–23 biennium for the operations of the LBB total \$26.4 million in General Revenue Funds.

### AGENCY RESPONSIBILITIES

Significant statutory responsibilities for LBB established in various sections of the Texas Government Code include the following duties:

- the adoption of a constitutional spending limit;
- preparing a General Appropriations Bill draft;
- preparing a budget estimates document;
- preparing fiscal notes and impact statements;
- reporting findings from performance and efficiency reviews;
- guiding, reviewing, and finalizing agency strategic plans; and
- taking necessary budget execution actions.

### ADOPTION OF A CONSTITUTIONAL SPENDING LIMIT

The Texas Constitution, Article VIII, Section 22, requires the amount of appropriations made from state tax revenues that is not dedicated by the constitution to be within the estimated rate of growth of the state's economy from the current biennium to the next biennium, commonly referred to as the spending limit. The Texas Government Code, Chapter 316, requires the LBB to determine the amount of the limit using

Texas personal income growth as a measurement of the state's economy. The Legislature can override the adopted constitutional spending limit if the Legislature finds that an emergency exists by adopting a concurrent resolution with a majority vote.

Senate Bill 1336, Eighty-seventh Legislature, Regular Session, 2021, amended the Texas Government Code, Chapter 316, to establish an additional statutory spending limit restricting the growth of consolidated general revenue appropriations (General Revenue Funds and General Revenue–Dedicated Funds) to the growth of population and inflation. The additional limit excludes appropriations that provide tax relief or pay costs associated with recovery from a disaster declared by the Governor. The LBB also is required to adopt the growth rate for the statutory spending limit in addition to the constitutional spending limit. The Legislature can override the adopted statutory spending limit by adopting a concurrent resolution with a three-fifths vote in each chamber. Appropriations must be within both the Article VIII constitutional spending limit and, beginning in the 2024–25 biennium, the new statutory spending limit established in Senate Bill 1336.

### BUDGET EXECUTION AUTHORITY

The Texas Government Code, Chapter 317, provides the LBB with budget execution authority, which authorizes state expenditure decisions to be altered when a full Legislature is not convened. This process begins when the Governor or the LBB proposes that funds appropriated to an agency should be prohibited from expenditure, transferred from one agency to another, or retained by an agency to be used for a purpose other than originally intended. A budget execution order takes effect only if both the Governor and LBB concur.

### GENERAL APPROPRIATIONS BILL DRAFT AND LEGISLATIVE BUDGET ESTIMATES

The LBB Director provides copies of the board's recommended General Appropriations Bill (GAB) draft and Legislative Budget Estimates (LBE) to all members of the Legislature and the Governor at the beginning of each regular legislative session and during special sessions as required. For the Eighty-seventh Legislature, Regular Session, 2021, one LBE provides both historical expenditures and proposed appropriations for each state agency and institution of higher education, and another represents all agency programs. The GAB draft and LBE are products of both a strategic planning process and a review process that includes a public hearing on each agency's

**FIGURE 351**  
**LEGISLATION REQUIRING A FISCAL NOTE COMPARED TO FISCAL NOTES AND COMPLETED IMPACT STATEMENTS**  
**EIGHTY-FIFTH TO EIGHTY-SEVENTH LEGISLATIVE SESSIONS**

CATEGORY	LEGISLATURE			CHANGE	
	85TH, 2017	86TH, 2019	87TH, 2021	86TH TO 87TH	PERCENTAGE
Filed Legislation Requiring a Fiscal Note	7,375	7,556	8,204	648	8.58%
Fiscal Notes (FN)	8,046	8,627	6,984	(1,643)	(19.04%)
Completed Impact Statements (CIS)	793	726	1,003	277	38.15%
<b>FN and CIS Totals</b>	<b>8,839</b>	<b>9,353</b>	<b>7,987</b>	<b>(1,366)</b>	<b>(14.60%)</b>

NOTE: Includes all Regular and Called sessions.

SOURCES: Legislative Budget Board; Legislative Reference Library.

budget request and an LBB staff analysis of each agency's expenditures, performance results, and budget drivers such as population changes within entitlement programs and other metrics. LBB staff perform multiple projections and analytical modeling to support this development.

When the GAB is enacted, it is referred to as the General Appropriations Act (GAA). The GAA allocates each agency's appropriations by goals and strategies and establishes key performance targets for each strategy. Agencies are required to report actual performance data each quarter so that LBB staff can monitor progress toward achieving established performance targets. LBB also provides additional program detail for items of appropriation in the GAA on its website that includes specific programs funded, the source of the funding, and related statutory authority.

#### **FISCAL NOTES AND IMPACT STATEMENTS**

Fiscal notes are written estimates that identify probable costs, savings, revenue gains, or revenue losses of each bill or resolution that is proposed by the Legislature across five or more years. These estimates serve as a tool to help legislators better understand how a bill might affect the state budget, individual agencies, taxpayers, and in some instances, local governments. A new fiscal note is prepared for each version of a bill, unless no changes are made from one version to the next. A fiscal note representing the most recent version of the bill must remain with the bill or resolution throughout the legislative process, including the point at which it is submitted to the Governor. During the Eighty-seventh Legislature, 2021, LBB staff completed 6,984 fiscal notes.

In addition to fiscal notes, LBB staff prepare impact statements that provide the Legislature with additional analysis and information about certain bills being considered for passage. LBB provides eight types of impact statements:

(1) criminal justice policy impact statements; (2) equalized education funding impact statements; (3) tax equity notes; (4) actuarial impact statements; (5) open-government impact statements; (6) water development policy impact statements; (7) higher education impact statements; and (8) dynamic economic impact statements.

**Figure 351** shows the number of fiscal notes and impact statements that LBB completed during the Eighty-fifth to Eighty-seventh Legislatures.

#### **PERFORMANCE AUDITS AND EVALUATIONS**

LBB is statutorily required to establish a system of performance audits and evaluations intended to provide a comprehensive and continuing review of the programs and operations of each state institution, department, agency, or commission. In addition, it is authorized to conduct performance reviews and evaluations of state agencies, river authorities, public junior colleges, and general academic teaching institutions. As part of this process, LBB staff each interim perform a Strategic Fiscal Review (SFR) on a selected cohort of state agencies. These SFRs provide an exacting, deep review of agency authority, mission, programs, and activities.

LBB also is authorized to conduct performance reviews and evaluations of school districts. These comprehensive and targeted reviews of school districts' educational, financial, and operational services and programs result in reports that identify accomplishments, findings, and recommendations based upon the analysis of data and onsite study of the district's operations. The recommendations from the reviews may be implemented locally by the school district board members, administrators, and the community. From November 2019 to October 2021, the School Performance Review team conducted reviews of two school districts



containing a total of 95 recommendations for improving school performance. The team also conducted a review of food service operations in 12 school districts that examined the common set of strategies, challenges, and outcomes the districts experienced in adapting operations to feed students in school year 2020–21.

#### **CONTRACTS AND TECHNOLOGY OVERSIGHT**

LBB has a long-standing responsibility to receive notices for certain contracts and to make contract information available to the public. The Contracts Database is the single point of data entry for all contract information that state entities are required to report to LBB. The Eighty-sixth Legislature, GAA, 2020–21 Biennium, Article IX, Sections 7.04 and 7.11, continued and expanded certain reporting requirements and responsibilities for contract reporting and oversight including in-depth analysis of certain contracts with a goal of working with state entities to help mitigate or remediate issues identified through its review and analysis. LBB staff do not approve contracts but are required to notify the LBB, Governor, and Comptroller of Public Accounts (CPA) about any unmitigated risks. Staff also may make budget or policy recommendations to improve the framework and requirements related to procurement or to individual agencies' processes for administration and oversight.

LBB staff also serve on the Quality Assurance Team (QAT). The Legislature established the QAT to provide ongoing oversight of major information resources projects that receive appropriations from the Legislature. The Eighty-sixth Legislature, 2019, modified QAT oversight to require review of contracts valued at more than \$10.0 million that implement major information resources projects that QAT monitors. All state agencies are subject to QAT oversight, with the exception of institutions of higher education and self-directed, semi-independent state agencies. QAT members include CPA, the Department of Information Resources, and LBB. The State Auditor's Office serves as an advisor to QAT.

## SUNSET ADVISORY COMMISSION

The Texas Legislature established the Sunset Advisory Commission (SAC) in fiscal year 1977 to enhance the accountability of state government by periodically evaluating the ongoing need for and the efficiency and effectiveness of state agencies. The 12-member commission consists of five members of the Senate and one public member appointed by the Lieutenant Governor, and five members of the House of Representatives and one public member appointed by the Speaker. The chair position rotates between the Senate and the House every two years.

Appropriations for the 2022–23 biennium to fund SAC operations total \$4.5 million in General Revenue Funds, which continues funding at the 2020–21 biennial spending level. Previously, appropriations of General Revenue Funds were made through a rider appropriation.

The Sunset process is the regular assessment of the continuing need for a state agency or program to exist. It works by having the Legislature set a Sunset date in an agency's statute that determines when an agency is subject to Sunset review. Through this review, the Legislature closely examines an agency's mission, priorities, and performance, and considers changes to address problems identified. For most agencies, the Sunset date is an automatic termination date on which the agency will be abolished unless the Legislature passes a bill to continue it, typically for 12 years. However, some agencies are subject to Sunset review but not abolishment, such as constitutionally created agencies. Most judicial and higher education agencies are not subject to Sunset review.

The Legislature sets the Sunset review schedule in law, and the agencies and their Sunset dates are subject to change every legislative session. Currently, 129 agencies are scheduled for Sunset review during the next 12 years, and SAC reviews about 22 agencies each biennium. For the Eighty-eighth Legislature, 2023, SAC will review 21 agencies as shown in **Figure 352**. Sunset staff conducts a review of each agency and issues a staff report that identifies problems and proposes both statutory and management recommendations to SAC to resolve them. Typical recommendations include whether to abolish or continue an agency or to combine an agency's functions with other agencies to streamline state government, and ways to improve an agency's efficiency, effectiveness, fairness, and accountability. SAC holds a public hearing on each agency and staff report, and a decision meeting to vote on the recommendations in the staff report and any other recommendations proposed by SAC members. The statutory

**FIGURE 352**  
**SUNSET REVIEW SCHEDULE, 2022–23 BIENNIUM**

### General Government

Office of State–Federal Relations, Office of the Governor  
Texas Economic Development and Tourism Office, Office of the Governor

### Public Safety and Criminal Justice

Texas Commission on Law Enforcement (1)  
Texas Juvenile Justice Department  
Office of Independent Ombudsman for the Juvenile Justice Department

### Natural Resources

Texas Commission on Environmental Quality  
Texas Low-Level Radioactive Waste Disposal Compact Commission  
Texas State Soil and Water Conservation Board

- Texas Invasive Species Coordinating Committee

Texas Water Development Board

- State Water Implementation Fund for Texas

### Regulatory

Public Utility Commission of Texas

- Electric Reliability Council of Texas

Office of Public Utility Counsel  
State Board of Veterinary Medical Examiners (1)

### Other

Anatomical Board of the State of Texas  
Bandera County River Authority and Groundwater District  
Lavaca-Navidad River Authority  
San Antonio River Authority  
San Jacinto River Authority  
Upper Guadalupe River Authority

NOTE: (1) Limited-scope review  
SOURCE: Sunset Advisory Commission.

recommendations adopted by SAC are incorporated into an agency's Sunset bill and the Legislature makes the final decisions on statutory changes to an agency. In addition to conducting reviews, Sunset staff supports SAC meetings, serves as a resource during session, and performs other duties on behalf of SAC.

SAC has conducted 570 reviews of state agencies and programs since its establishment. Based on these reviews, the Legislature has abolished 94 agencies, including 42 agencies that were abolished completely and 52 that were abolished with certain functions transferred to existing or new agencies. Changes enacted through the Sunset process

have resulted in an overall positive fiscal impact of more than \$1.0 billion in state and federal savings and revenue gains, with a return of \$18 for every \$1 appropriated to SAC since fiscal year 1985. Overall, approximately 80.0 percent of SAC's recommendations have become law since fiscal year 2001.

The Eighty-seventh Legislature, 2021, passed 12 Sunset bills containing 78.0 percent of SAC's 115 recommendations to the Legislature. SAC also adopted 114 management directives for agencies under review. Notable improvements include eliminating 31 license types across 18 regulatory programs to reduce unnecessary regulatory burdens for 140,000 Texas licensees; removing subjective, anticompetitive, or unnecessary regulatory requirements to eliminate barriers to working in Texas with little or no impact on public safety; and strengthening agencies' fiscal policies, reporting requirements, audits, fair contracting processes, and risk-based decision making. While most Sunset recommendations have no fiscal impact to the state and are designed to improve efficiency and service delivery over time, eliminating licenses and regulations usually means a loss in state revenue since the state will no longer collect certain regulatory fees. Overall, the adopted Sunset recommendations and management directives are estimated to have a negative fiscal impact to the state of approximately \$35,100 during the next two fiscal years.

The Legislature continued 10 agencies for 12 years: Credit Union Department and Commission, Prepaid Higher Education Tuition Board, Prescribed Burning Board, Texas Animal Health Commission, Board of Directors of the Official Cotton Growers' Boll Weevil Eradication Foundation, Texas Commission on Fire Protection, Texas Commission on Jail Standards, Texas Department of Agriculture, Texas Department of Licensing and Regulation, and Texas Parks and Wildlife Department. The Legislature also continued the State Board of Veterinary Medical Examiners for eight years and scheduled a limited-scope review of the agency's database system and data processes in 2023. For the two agencies not subject to abolishment, the Legislature scheduled them for Sunset review again in 12 years: Brazos River Authority and Teacher Retirement System of Texas.

The Legislature abolished the Early Childhood Health and Nutrition Interagency Council, which was disbanded in 2018, and replaced the Texas Holocaust and Genocide Commission with the Texas Holocaust, Genocide, and Antisemitism Advisory Commission to advise the Texas Historical Commission.

Four agencies' Sunset bills did not pass and the Legislature rescheduled them for Sunset review: Anatomical Board of the State of Texas, San Jacinto River Authority, and a limited-scope review of the Texas Commission on Law Enforcement in 2023, and Texas Racing Commission in 2027.

## SIGNIFICANT LEGISLATION

**Senate Bill 713 – Scheduled Sunset Reviews.** The legislation determines the agencies and governmental entities required to undergo Sunset review during the 2022–23 biennium, and updates certain disaster and emergency procedures in the Texas Sunset Act in response to the COVID-19 pandemic.

## TEXAS LEGISLATIVE COUNCIL

The Texas Legislative Council was established by statute during fiscal year 1949 and began operations in 1950. The council is a 14-member board consisting of the Lieutenant Governor and the Speaker of the House of Representatives, who serve as joint chairs; six members of the Senate appointed by the Lieutenant Governor; the Chair of the House Administration Committee; and five members of the House of Representatives appointed by the Speaker. Appropriations total \$83.8 million in General Revenue Funds.

The agency’s Executive Director is responsible for employing professional and clerical staff and supervising their performance. The agency is responsible for the following statutorily defined duties:

- assisting the Legislature in drafting proposed legislation;
- providing data-processing services to aid the members and committees of the Legislature in accomplishing their duties;
- gathering and disseminating information for the Legislature;
- conducting other investigations, studies, and reports that may be deemed useful to the legislative branch of state government; and

- investigating departments, agencies, and officers and studying their functions and problems.

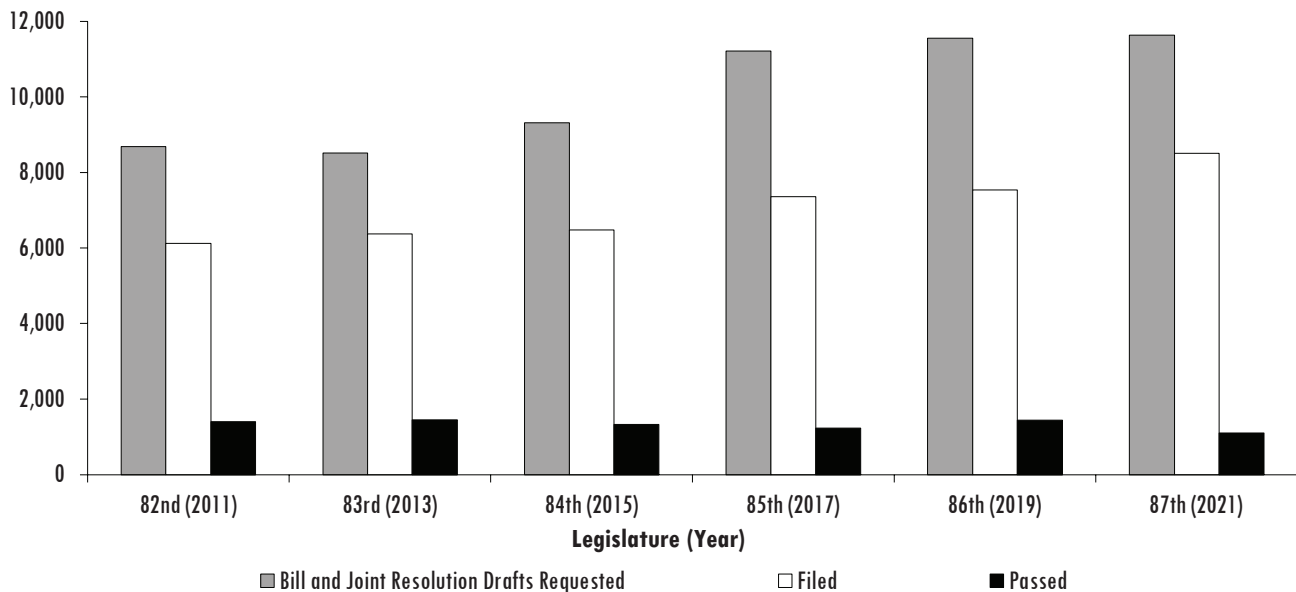
The agency also develops and implements plans for the continuing revision of state statutes, including simplifying classification, improving numbering, and clarifying the statutes without substantively changing them.

During legislative sessions, council staff drafts bills, resolutions, amendments, committee substitutes, and conference committee reports for the Senate and the House.

**Figure 353** shows the number of bills and joint resolutions (JR) requested, filed, and passed by the Legislature during each biennium since fiscal year 2011. The agency drafted 11,637 bills and JRs requested by the Eighty-seventh Legislature, 2021. In addition, staff engross and enroll House documents and distribute House bills. The agency also assists the Legislature with infrequent or unusual responsibilities, such as redistricting and election contests.

The Texas Legislature is responsible for redistricting state Senate, state House, U.S. congressional, and the State Board of Education districts during the first regular session following publication of each U.S. decennial census, and for making changes to state judicial districts. Redistricting is the revision or replacement of existing districts, resulting in new districts with different geographical boundaries to equalize population in state and congressional districts. The Texas

**FIGURE 353**  
**BILLS AND JOINT RESOLUTIONS REQUESTED, FILED, AND PASSED, EIGHTY-SECOND TO EIGHTY-SEVENTH LEGISLATIVE SESSIONS**



NOTE: Includes all Regular and Called sessions.  
 SOURCE: Texas Legislative Council.

Legislative Council has the following responsibilities relating to the redistricting process:

- prepare publications about the redistricting process, data, and law to assist those involved or interested in the redistricting process;
- provide technical and legal support to the Legislature, including development and support of district modeling computer systems and development of web information resources; and
- prepare and distribute maps to the Legislature of redistricting plans and current districts of the Texas House of Representatives, Texas Senate, Texas delegation to the U.S. House of Representatives, and the State Board of Education.

Between sessions, the agency assists standing and special legislative committees with research. The legal staff devotes the majority of its interim efforts to statutory revision projects that, when completed, are presented to the next regular session of the Legislature for consideration.

The agency's Legislative Information Systems Division makes data-processing equipment and techniques available to the legislative branch, providing information technology support to the House, Senate, and other entities. This division develops and operates automated systems that support the legislative process. The division processes the text of draft documents, bills, resolutions, and House and Senate journals and reports on bill status and legislative committee activity. The division also supports automated budget analysis and the production of appropriations bills. In addition, the division provides programming support for the fiscal notes system and tracks membership of boards and commissions. The division also develops accounting, payroll, and personnel systems for use by the Legislature and legislative branch agencies.

## COMMISSION ON UNIFORM STATE LAWS

The Commission on Uniform State Laws was established during fiscal year 1951 to promote uniformity in state laws in subject areas in which uniformity is desirable and practicable. The agency also promotes uniform judicial interpretation of all uniform state laws, advises the Legislature regarding adoption of uniform state laws, and sends staff to national conferences on uniform state laws.

The Commission on Uniform State Laws consists of nine members appointed by the Governor, two members or officers of the Senate appointed by the Lieutenant Governor, two members or officers of the House appointed by the Speaker of the House, the chair of the standing Senate committee with primary jurisdiction over uniform state laws, the chair of the standing House committee with primary jurisdiction over uniform state laws, the Executive Director of the Texas Legislative Council, and other members who qualify by service with the Commission or the National Conference of Commissioners on Uniform State Laws. The commission receives accounting, clerical, and other support services from the Texas Legislative Council. Appropriations for the Commission on Uniform State Laws total \$0.3 million in General Revenue Funds, which is an increase of \$60,000, or 20.8 percent, from the 2020–21 biennial spending level. Funds were increased pursuant to the 2022–23 General Appropriations Act, Article IX, Section 18.26, Contingency for House Bill 4294, which added members to the commission.

### SIGNIFICANT LEGISLATION

**House Bill 4294 – Commission on Uniform State Laws membership.** The legislation added the following new members to the commission: two members or officers of the Senate appointed by the Lieutenant Governor, two members or officers of the House appointed by the Speaker of the House, the chair of the standing Senate committee with primary jurisdiction over uniform state laws, and the chair of the standing House committee with primary jurisdiction over uniform state laws.

## STATE AUDITOR'S OFFICE

The State Auditor's Office (SAO) was established in 1943 and functions as the independent auditor for Texas state government. SAO is authorized to perform audits, investigations, and other services to ensure that state agencies, higher education institutions, and other governmental entities follow state and federal laws and regulations.

The State Auditor is appointed by the Legislative Audit Committee, a permanent standing joint committee of the Legislature. The six-member committee consists of the Lieutenant Governor (joint chair), the Speaker of the House of Representatives (joint chair), the chair of the Senate Finance Committee, one member of the Senate appointed by the Lieutenant Governor, the chair of the House Appropriations Committee, and the chair of the House Ways and Means Committee.

The State Auditor is required statutorily to recommend an audit plan for the state to the Legislative Audit Committee for approval each year. The plan identifies all the audits, reviews, investigations, and other activities that SAO may initiate during the state fiscal year. The plan includes statutorily required and discretionary projects, which are developed based on a standardized risk-assessment process.

Appropriations for SAO total \$43.6 million in All Funds for the 2022–23 biennium. Total funding includes \$34.0 million in General Revenue Funds, Interagency Contract funding of \$9.4 million, and Appropriated Receipts of \$0.2 million. The All-Funds appropriations represents an increase of approximately of \$0.7 million, or 1.6 percent, from the 2020–21 biennial spending level, which includes expected increases in Interagency Contracts.

### AUDITS AND INVESTIGATIONS

Audits are performed in accordance with accepted government auditing standards, which include standards issued by the American Institute of Certified Public Accountants. SAO is authorized to perform the following four types of audits:

- economy and efficiency audits, which determine whether entities are managing and using their resources in an economical and efficient manner;
- effectiveness audits, which evaluate whether the objectives and intended benefits of a program are being achieved and whether the program is duplicative;

**FIGURE 354**  
STATE AUDITOR'S OFFICE AUDITS AND OTHER PROJECTS COMPLETED, FISCAL YEARS 2013 TO 2021

YEAR	TOTAL AUDITS AND OTHER PROJECTS
2013	47
2014	42
2015	46
2016	41
2017	51
2018	46
2019	52
2020	45
2021	36

SOURCE: Legislative Budget Board.

- financial audits, which evaluate whether accounting controls are adequate and whether the records, books, and accounts of state agencies, including higher education institutions, and the financial statements for the state as a whole accurately represent their financial and fiscal operations; and
- compliance audits, which determine whether funds have been spent in accordance with the purpose for which the funds were appropriated and authorized by law.

SAO's Audit and Review Team completed 36 audits and other projects related to state agencies, higher education institutions, and other entities during fiscal year 2021. **Figure 354** shows the number of audits and other projects that SAO has completed annually since fiscal year 2013. Data shown in **Figure 354** does not include the reports issued by the State Classification Team within SAO. For fiscal year 2021, the team issued seven reports.

SAO also investigates specific acts or allegations of impropriety and abuse of state funds and resources. All state agencies and higher education institutions are required to report suspected fraud or unlawful conduct to SAO.

### STATE CLASSIFICATION OFFICE

The Position Classification Act of 1961 established the State Classification Office, referred to as the Classification Team, within the State Auditor's Office. The Classification

Team is responsible for maintaining and updating the state's Position Classification Plan, which provides the salary structure for classified employees in state agencies. During the biennial budget process, the Classification Team recommends the addition and deletion of job classifications, the changing of job titles, and the reallocation of salary groups assigned to specific job classifications. The classification plan for the 2022–23 biennium adopted by the Eighty-seventh Legislature, 2021, includes 1,135 classification titles covering approximately 149,892 full-time and part-time classified employees at state agencies; the classification titles are grouped into 26 occupational categories and 311 job classification series. The General Appropriations Act includes three salary schedules for classified positions: Schedule A includes clerical and technical positions; Schedule B includes mainly professional and managerial positions; and Schedule C includes law enforcement positions.

The Classification Team produces reports and guides regarding compensation, classification, turnover, and workforce issues that are available online on SAO's website. For example, a current reference guide summarizing all state human resources management statutes that apply to Texas state employees is provided, along with nine other guides and resources that address issues related to workforce planning, sick leave, sick leave donation, military pay differential, military occupational codes, job descriptions, full-time-equivalent employee position reporting, job classification review, and necessary payroll actions that agencies must make before the start of each biennium. Other significant reports cover the following topics: (1) benefits as a percentage of total compensation; (2) classification compliance reviews and audits; (3) the Position Classification Plan; (4) the state's Law Enforcement Salary Schedule, Salary Schedule C; (5) executive compensation; (6) employee turnover; (7) full-time-equivalent state employee positions; and (8) legislative workforce summaries.

## PROFESSIONAL DEVELOPMENT

The Texas Government Code, Chapter 2102, referred to as the Texas Internal Auditing Act, authorizes SAO, subject to approval by the Legislative Audit Committee, to make available and coordinate a training and technical assistance program to ensure that state agency internal auditors have access to current information regarding internal audit techniques, policies, and procedures. SAO makes training available to SAO staff, internal

audit, and other participants. During fiscal year 2021, SAO offered 113 courses that 669 participants attended.

## SIGNIFICANT LEGISLATION

### **Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium, Article X, Rider 5.**

The legislation requires the SAO to conduct an actuarial analysis of fiscal years 2023 and 2024 Medicaid managed care rates at the Health and Human Services Commission (HHSC). The SAO is directed to file a report on the actuarial soundness of the rates and provide an audit report on the rate making process used by HHSC.

**2022–23 GAA, Article X, Rider 6.** The legislation requires the SAO to conduct an audit of the Department of Public Safety's TXGANG database index to identify all records older than 10 years that have not been validated recently.

**2022–2023 GAA, Article X, Rider 7.** The legislation requires the SAO to conduct an audit of the Hemp Program licensing and permit application process at the Texas Department of Agriculture.

**House Bill 1505 – Attachments for broadband service on utility poles owned by an electric cooperative and establishing and funding a pole replacement program for deployment of certain broadband facilities.** The legislation requires SAO to audit the Broadband Pole Replacement Fund and the administration of the Texas Broadband Pole Replacement program.

**House Bill 1516 – Regular efficiency audits of public benefits programs.** The legislation requires SAO to select and monitor a vendor to conduct an efficiency audit of the Temporary Assistance for Needy Families Program and State Temporary Assistance and Support Services Program at HHSC.

**Senate Bill 713 – Sunset review process and certain governmental entities subject to that process.** The legislation requires the SAO to conduct an effectiveness audit of the State Board of Veterinary Medical Examiners to determine if the agency has implemented the data-related recommendations included in the 2021 Sunset Advisory Commission report.

**Senate Bill 1896 – Regulation of child-care facilities.** The legislation requires the SAO to annually review the Department of Family and Protective Services' performance-based contracts to determine whether the



agency is enforcing contract provisions with providers and provide recommendations for improving oversight and contract execution.

## LEGISLATIVE REFERENCE LIBRARY

The Legislative Reference Library (LRL) was established by the Sixty-first Legislature, Regular Session, 1969, as an independent agency. LRL is governed by the Legislative Library Board, a six-member board consisting of the Lieutenant Governor, the Speaker of the House of Representatives, the chair of the House Appropriations Committee, two members of the Senate appointed by the Lieutenant Governor, and one member of the House of Representatives appointed by the Speaker. Appropriations for the 2022–23 biennium total \$3.5 million in All Funds, which continues funding at the 2020–21 biennial spending level.

The library is the designated depository for legislative records and documents in the state, including original legislative bill files from 1846 to the present. Its collection focuses on issues affecting the Texas Legislature and contains Texas legal and public affairs materials, Texas state documents, and a unique collection of Texas periodicals.

LRL generates, manages, and ensures the integrity of the data in the Texas Legislative Information System—the Legislature’s online bill-status system—and operates a statewide telephone service providing citizens with legislative reference information and assistance during legislative sessions. The library also has developed and maintains specialized databases that are accessible through the Legislature’s computer network to provide information on legislators and the Texas Legislature, an online card catalog, and newspaper articles included in the legislative clipping service. Additional LRL databases provide access to historical legislative bill files, indexes on the statutory effect of legislation, and appointments to state boards and commissions made by the Governor, Lieutenant Governor, and Speaker.

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## APPENDIX A – AGENCIES BY ARTICLE

### ARTICLE I — GENERAL GOVERNMENT

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Texas Commission on the Arts  
Office of the Attorney General  
Bond Review Board  
Cancer Prevention and Research Institute of Texas  
Comptroller of Public Accounts  
Fiscal Programs within the Office of the Comptroller of Public Accounts  
Commission on State Emergency Communications  
Texas Emergency Services Retirement System  
Employees Retirement System of Texas  
Texas Ethics Commission  
Texas Facilities Commission  
Texas Public Finance Authority  
Office of the Governor  
Trusted Programs within the Office of the Governor  
Texas Historical Commission  
Department of Information Resources  
Texas State Library and Archives Commission  
State Pension Review Board  
State Preservation Board  
State Office of Risk Management  
Secretary of State  
Texas Veterans Commission

### ARTICLE II — HEALTH AND HUMAN SERVICES

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Department of Family and Protective Services  
Department of State Health Services  
Health and Human Services Commission

### ARTICLE III — AGENCIES OF EDUCATION

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#### PUBLIC EDUCATION

Texas Education Agency  
Texas School for the Blind and Visually Impaired  
Texas School for the Deaf  
Teacher Retirement System of Texas  
Optional Retirement Program

#### HIGHER EDUCATION

Higher Education Employees Group Insurance  
Texas Higher Education Coordinating Board

#### GENERAL ACADEMIC INSTITUTIONS

University of Texas System Administration  
University of Texas at Arlington  
University of Texas at Austin  
University of Texas at Dallas  
University of Texas at El Paso  
University of Texas Rio Grande Valley  
University of Texas of the Permian Basin  
University of Texas at San Antonio  
University of Texas at Tyler  
Texas A&M University System  
    Administrative and General Offices  
Texas A&M University  
Texas A&M University at Galveston  
Prairie View A&M University  
Tarleton State University  
Texas A&M University – Central Texas  
Texas A&M University – Corpus Christi  
Texas A&M University – Kingsville  
Texas A&M University – San Antonio  
Texas A&M International University  
West Texas A&M University  
Texas A&M University – Commerce

**ARTICLE III — AGENCIES OF EDUCATION (CONTINUED)**

Texas A&M University – Texarkana  
 University of Houston System Administration  
 University of Houston  
 University of Houston – Clear Lake  
 University of Houston – Downtown  
 University of Houston – Victoria  
 University of North Texas System Administration  
 University of North Texas  
 University of North Texas at Dallas  
 Stephen F. Austin State University  
 Texas Southern University  
 Texas Tech University System Administration  
 Texas Tech University  
 Angelo State University  
 Midwestern State University  
 Texas Woman’s University  
 Texas State University System Administration  
 Lamar University  
 Sam Houston State University  
 Texas State University  
 Sul Ross State University  
 Sul Ross State University Rio Grande College

**TWO-YEAR INSTITUTIONS**

Lamar Institute of Technology  
 Lamar State College – Orange  
 Lamar State College – Port Arthur  
 Texas State Technical College System Administration  
 Texas State Technical College – Harlingen  
 Texas State Technical College – West Texas  
 Texas State Technical College – Marshall  
 Texas State Technical College – Waco  
 Texas State Technical College – Fort Bend  
 Texas State Technical College – North Texas  
 Public Community/Junior Colleges

**HEALTH-RELATED INSTITUTIONS**

University of Texas Southwestern Medical Center  
 University of Texas Medical Branch at Galveston

University of Texas Health Science Center at Houston  
 University of Texas Health Science Center at San Antonio  
 University of Texas Rio Grande Valley School of Medicine  
 University of Texas M.D. Anderson Cancer Center  
 University of Texas Health Science Center at Tyler  
 Texas A&M University System Health Science Center  
 University of North Texas Health Science Center at Fort Worth  
 Texas Tech University Health Sciences Center  
 Texas Tech University Health Sciences Center at El Paso  
 University of Houston College of Medicine

**A&M UNIVERSITY SERVICES**

Texas A&M AgriLife Research  
 Texas A&M AgriLife Extension Service  
 Texas A&M Engineering Experiment Station  
 Texas A&M Transportation Institute  
 Texas A&M Engineering Extension Service  
 Texas A&M Forest Service  
 Texas A&M Veterinary Medical Diagnostic Laboratory  
 Texas Division of Emergency Management

**INVESTMENT FUNDS**

Higher Education Fund  
 Available University Fund  
 Available National Research University Fund  
 Support for Military and Veterans Exemptions

**ARTICLE IV — JUDICIARY**

Supreme Court of Texas  
 Court of Criminal Appeals  
 First Court of Appeals District, Houston  
 Second Court of Appeals District, Fort Worth  
 Third Court of Appeals District, Austin  
 Fourth Court of Appeals District, San Antonio  
 Fifth Court of Appeals District, Dallas  
 Sixth Court of Appeals District, Texarkana  
 Seventh Court of Appeals District, Amarillo  
 Eighth Court of Appeals District, El Paso  
 Ninth Court of Appeals District, Beaumont

## **ARTICLE IV — JUDICIARY (CONTINUED)**

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Tenth Court of Appeals District, Waco  
 Eleventh Court of Appeals District, Eastland  
 Twelfth Court of Appeals District, Tyler  
 Thirteenth Court of Appeals District,  
 Corpus Christi–Edinburg  
 Fourteenth Court of Appeals District, Houston  
 Office of Court Administration, Texas Judicial Council  
 Office of Capital and Forensic Writs  
 Office of the State Prosecuting Attorney  
 State Law Library  
 State Commission on Judicial Conduct  
 Judiciary Section, Comptroller’s Department

## **ARTICLE V — PUBLIC SAFETY AND CRIMINAL JUSTICE**

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Texas Alcoholic Beverage Commission  
 Texas Department of Criminal Justice  
 Texas Commission on Fire Protection  
 Texas Commission on Jail Standards  
 Texas Juvenile Justice Department  
 Texas Commission on Law Enforcement  
 Texas Military Department  
 Department of Public Safety

## **ARTICLE VI — NATURAL RESOURCES**

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Texas Department of Agriculture  
 Texas Animal Health Commission  
 Texas Commission on Environmental Quality  
 General Land Office and Veterans Land Board  
 Texas Low-level Radioactive Waste Disposal Compact  
 Commission  
 Texas Parks and Wildlife Department  
 Railroad Commission of Texas  
 Texas State Soil and Water Conservation Board  
 Texas Water Development Board

## **ARTICLE VII — BUSINESS AND ECONOMIC DEVELOPMENT**

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Texas Department of Housing and Community Affairs  
 Texas Lottery Commission  
 Texas Department of Motor Vehicles  
 Texas Department of Transportation  
 Texas Workforce Commission

## **ARTICLE VIII — REGULATORY**

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State Office of Administrative Hearings  
 Texas Behavioral Health Executive Council  
 Texas Board of Chiropractic Examiners  
 Texas State Board of Dental Examiners  
 Texas Funeral Service Commission  
 Texas Board of Professional Geoscientists  
 Health Professions Council  
 Office of Injured Employee Counsel  
 Texas Department of Insurance  
 Office of Public Insurance Counsel  
 Texas Board of Professional Engineers and Land Surveyors  
 Texas Department of Licensing and Regulation  
 Texas Medical Board  
 Texas Board of Nursing  
 Texas Optometry Board  
 Texas State Board of Pharmacy  
 Executive Council of Physical Therapy  
 and Occupational Therapy Examiners  
 Texas State Board of Plumbing Examiners  
 Texas Racing Commission  
 State Securities Board  
 Public Utility Commission of Texas  
 Office of Public Utility Counsel  
 State Board of Veterinary Medical Examiners

**ARTICLE X — LEGISLATURE**

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Senate

House of Representatives

Legislative Budget Board

Sunset Advisory Commission

Texas Legislative Council

Commission on Uniform State Laws

State Auditor's Office

Legislative Reference Library

## APPENDIX B – SUMMARY OF STATE BUDGET BY FISCAL YEAR

The following applies to all methods of finance in shown Appendix B:

- appropriations made by House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, are subject to the appropriation life stated therein and are not shortened by inclusion in House Bill 1, Eighty-sixth Legislature, 2019, or extended by inclusion in Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021; and
- unless expressly provided in House Bill 2 and Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021, or other appropriating legislation, such appropriations are not subject to General Provisions contained in Article IX of House Bill 1, Eighty-sixth Legislature, 2019, or Article IX of Senate Bill 1, Eighty-seventh Legislature, Regular Session, 2021.

An interactive version of this data can be found at [www.lbb.state.tx.us/Interactive\\_Graphics.aspx](http://www.lbb.state.tx.us/Interactive_Graphics.aspx)

### ALL FUNDS

**FIGURE B1**  
**ALL FUNDS – STATEWIDE SUMMARY**

FUNCTION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
Article I – General Government	\$3,768,501,522	\$5,836,525,669	\$5,284,761,861	\$3,191,632,345
Article II – Health and Human Services	\$45,290,077,738	\$52,151,423,682	\$43,605,078,658	\$43,365,206,316
Article III – Agencies of Education	\$49,001,058,215	\$46,696,340,007	\$48,605,071,451	\$47,448,314,645
<i>Public Education</i>				
<i>Higher Education</i>				
Article IV – Judiciary	\$501,308,157	\$485,151,326	\$507,398,392	\$464,311,871
Article V – Public Safety and Criminal Justice	\$6,760,076,161	\$6,962,680,433	\$7,090,911,000	\$6,418,697,141
Article VI – Natural Resources	\$5,492,435,063	\$6,199,099,360	\$4,674,923,055	\$3,141,126,404
Article VII – Business and Economic Development	\$22,854,788,457	\$17,212,285,715	\$18,485,149,882	\$18,062,783,889
Article VIII – Regulatory	\$329,238,728	\$391,329,851	\$362,209,468	\$371,820,669
Article IX – General Provisions	\$0	\$0	\$0	\$0
Article X – Legislature	\$187,823,504	\$220,375,404	\$199,087,161	\$211,356,171
Article XII – American Rescue Plan Act of 2021	\$0	\$0	\$13,314,863,778	\$0
<b>Total, All Functions</b>	<b>\$134,185,307,545</b>	<b>\$136,155,211,447</b>	<b>\$142,129,454,706</b>	<b>\$122,675,249,451</b>

NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B1 (CONTINUED)**  
**ALL FUNDS – GENERAL GOVERNMENT**

<b>ARTICLE I – GENERAL GOVERNMENT</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Commission on the Arts	\$12,047,079	\$15,545,843	\$11,504,338	\$11,504,338
Office of the Attorney General	\$598,432,553	\$725,561,986	\$724,897,323	\$612,559,480
Bond Review Board	\$902,890	\$813,590	\$898,912	\$898,911
Cancer Prevention and Research Institute of Texas	\$294,987,051	\$299,602,067	\$300,051,000	\$300,051,000
Comptroller of Public Accounts	\$320,327,880	\$307,975,639	\$339,427,789	\$322,473,065
Fiscal Programs within the Office of the Comptroller of Public Accounts	\$662,470,000	\$895,643,574	\$661,280,762	\$631,236,082
Commission on State Emergency Communications	\$73,073,154	\$78,231,690	\$71,222,973	\$57,297,928
Texas Emergency Services Retirement System	\$2,008,850	\$1,857,953	\$1,943,425	\$1,943,424
Employees Retirement System	\$15,038,215	\$1,033,750,000	\$13,750,000	\$13,750,000
Texas Ethics Commission	\$3,332,531	\$3,715,656	\$3,175,558	\$3,175,558
Facilities Commission	\$184,783,677	\$832,354,301	\$75,512,606	\$75,429,718
Public Finance Authority	\$1,407,608	\$1,767,940	\$1,735,884	\$1,683,383
Office of the Governor	\$17,578,397	\$17,578,397	\$11,818,830	\$11,818,830
Trusteed Programs within the Office of the Governor	\$905,222,813	\$889,544,025	\$2,285,426,868	\$418,893,094
Historical Commission	\$82,765,548	\$58,589,612	\$43,109,340	\$29,814,617
Department of Information Resources	\$452,789,557	\$465,371,679	\$478,943,360	\$467,119,560
Library and Archives Commission	\$36,404,183	\$38,372,600	\$38,623,796	\$36,182,082
Pension Review Board	\$1,101,749	\$1,642,874	\$1,128,749	\$1,128,749
Preservation Board	\$15,165,611	\$53,177,188	\$9,928,742	\$9,519,217
State Office of Risk Management	\$47,701,638	\$54,796,694	\$51,249,165	\$51,249,167
Secretary of State	\$107,078,637	\$82,415,421	\$92,536,417	\$32,883,823
Veterans Commission	\$57,386,771	\$57,565,510	\$58,642,827	\$58,514,494
<b>Subtotal, General Government</b>	<b>\$3,892,006,392</b>	<b>\$5,915,874,239</b>	<b>\$5,276,808,664</b>	<b>\$3,149,126,520</b>
Retirement and Group Insurance	\$170,515,434	\$172,569,283	\$174,818,838	\$177,017,984
Social Security and Benefit Replacement Pay	<b>\$43,505,128</b>	<b>\$43,594,784</b>	<b>\$43,761,467</b>	<b>\$43,892,611</b>
<b>Subtotal, Employee Benefits</b>	<b>\$214,020,562</b>	<b>\$216,164,067</b>	<b>\$218,580,305</b>	<b>\$220,910,595</b>
Bond Debt Service Payments	\$164,275,945	\$173,368,506	\$211,863,386	\$236,390,742
Lease Payments	\$22,317,444	\$12,948,128	\$58,822,783	\$70,585,545
<b>Subtotal, Debt Service</b>	<b>\$186,593,389</b>	<b>\$186,316,634</b>	<b>\$270,686,169</b>	<b>\$306,976,287</b>
Less Interagency Contracts	\$524,118,821	\$481,829,271	\$481,313,277	\$485,381,057
<b>Total, Article I – General Government</b>	<b>\$3,768,501,522</b>	<b>\$5,836,525,669</b>	<b>\$5,284,761,861</b>	<b>\$3,191,632,345</b>

NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.



**FIGURE B1 (CONTINUED)**  
**ALL FUNDS – HEALTH AND HUMAN SERVICES**

<b>ARTICLE II – HEALTH AND HUMAN SERVICES</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Family and Protective Services	\$2,178,427,374	\$2,222,088,979	\$2,355,747,021	\$2,358,009,834
Department of State Health Services	\$1,595,274,968	\$4,113,521,830	\$993,959,069	\$887,849,297
Health and Human Services Commission	\$40,763,460,454	\$45,071,319,674	\$39,459,288,939	\$39,308,093,177
<b>Subtotal, Health and Human Services</b>	<b>\$44,537,162,796</b>	<b>\$51,406,930,483</b>	<b>\$42,808,995,029</b>	<b>\$42,553,952,308</b>
Retirement and Group Insurance	\$874,999,385	\$886,032,717	\$899,262,654	\$908,340,655
Social Security and Benefit Replacement Pay	\$191,540,321	\$192,061,620	\$193,104,120	\$192,861,857
<b>Subtotal, Employee Benefits</b>	<b>\$1,066,539,706</b>	<b>\$1,078,094,337</b>	<b>\$1,092,366,774</b>	<b>\$1,101,202,512</b>
Bond Debt Service Payments	\$24,150,081	\$18,607,132	\$22,503,966	\$22,120,016
Lease Payments	\$7,606,600	\$9,261,398	\$18,872,853	\$22,642,624
<b>Subtotal, Debt Service</b>	<b>\$31,756,681</b>	<b>\$27,868,530</b>	<b>\$41,376,819</b>	<b>\$44,762,640</b>
Less Interagency Contracts	\$345,381,445	\$361,469,668	\$337,659,964	\$334,711,144
<b>Total, Article II – Health and Human Services</b>	<b>\$45,290,077,738</b>	<b>\$52,151,423,682</b>	<b>\$43,605,078,658</b>	<b>\$43,365,206,316</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B1 (CONTINUED)**  
**ALL FUNDS – AGENCIES OF EDUCATION**

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
<b>Public Education</b>				
Texas Education Agency	\$32,946,005,332	\$30,946,098,412	\$33,182,085,243	\$32,673,620,188
School for the Blind and Visually Impaired	\$25,561,261	\$24,998,166	\$24,778,657	\$24,769,907
School for the Deaf	\$30,778,148	\$31,116,292	\$32,322,012	\$32,322,012
<b>Subtotal, Public Education</b>	<b>\$33,002,344,741</b>	<b>\$31,002,212,870</b>	<b>\$33,239,185,912</b>	<b>\$32,730,712,107</b>
<b>Public Higher Education</b>				
<b>Two-Year Institutions</b>				
Public Community/Junior Colleges	\$936,193,916	\$931,497,068	\$942,433,596	\$938,101,548
<b>Lamar State Colleges</b>				
Lamar Institute of Technology	\$17,718,081	\$18,096,523	\$23,119,246	\$22,790,578
Lamar State College – Orange	\$11,989,280	\$13,679,039	\$15,244,457	\$15,117,903
Lamar State College – Port Arthur	\$14,791,104	\$20,438,103	\$17,118,927	\$15,638,884
<b>Subtotal, Lamar State Colleges</b>	<b>\$44,498,465</b>	<b>\$52,213,665</b>	<b>\$55,482,630</b>	<b>\$53,547,365</b>
<b>Texas State Technical Colleges</b>				
Texas State Technical College System Administration	\$4,602,468	\$4,193,795	\$3,060,373	\$3,060,373
Texas State Technical College – Harlingen	\$24,082,861	\$24,169,027	\$30,532,480	\$30,348,615
Texas State Technical College – West Texas	\$15,064,612	\$14,678,443	\$15,745,064	\$15,600,994
Texas State Technical College – Marshall	\$5,752,040	\$5,373,934	\$7,675,637	\$7,558,050
Texas State Technical College – Waco	\$44,918,244	\$58,231,718	\$37,049,537	\$36,882,282
Texas State Technical College – Fort Bend	\$8,731,350	\$6,970,166	\$6,442,399	\$6,448,184
Texas State Technical College – North Texas	\$3,831,273	\$3,980,068	\$3,919,344	\$3,923,936
<b>Subtotal, Texas State Technical Colleges</b>	<b>\$106,982,848</b>	<b>\$117,597,151</b>	<b>\$104,424,834</b>	<b>\$103,822,434</b>
<b>Subtotal, Two-Year Institutions</b>	<b>\$1,087,675,229</b>	<b>\$1,101,307,884</b>	<b>\$1,102,341,060</b>	<b>\$1,095,471,347</b>
<b>General Academic Institutions</b>				
University of Texas System Administration	\$10,147,797	\$9,110,318	\$12,228,329	\$11,247,239
University of Texas at Arlington	\$194,073,230	\$182,340,162	\$202,701,445	\$202,703,401
University of Texas at Austin	\$446,188,742	\$389,764,372	\$447,120,590	\$435,397,010
University of Texas at Dallas	\$169,236,606	\$148,241,494	\$181,104,717	\$181,107,251
University of Texas at El Paso	\$121,793,577	\$113,435,189	\$124,439,612	\$124,441,151
University of Texas Rio Grande Valley	\$139,479,925	\$123,485,341	\$151,914,826	\$151,915,673
University of Texas of the Permian Basin	\$38,345,883	\$36,583,025	\$40,030,884	\$40,031,641
University of Texas at San Antonio	\$160,777,746	\$150,447,147	\$176,122,031	\$176,122,836
University of Texas at Tyler	\$47,358,442	\$45,065,140	\$49,033,736	\$48,834,437
Texas A&M University System Administrative and General Offices	\$770,028	\$693,024	\$731,526	\$731,526
Texas A&M University	\$474,165,391	\$460,531,141	\$488,501,901	\$488,515,462
Texas A&M University at Galveston	\$24,780,720	\$69,571,070	\$25,189,010	\$24,434,064
Prairie View A&M University	\$69,875,615	\$65,333,336	\$70,266,203	\$66,018,174
Tarleton State University	\$62,249,686	\$61,314,730	\$65,748,908	\$65,747,030
Texas A&M University – Central Texas	\$20,453,864	\$18,131,021	\$20,432,189	\$20,435,924
Texas A&M University – Corpus Christi	\$67,623,123	\$67,040,045	\$70,410,287	\$68,110,388
Texas A&M University – Kingsville	\$50,720,434	\$49,989,081	\$50,762,736	\$49,564,082
Texas A&M University – San Antonio	\$38,938,352	\$36,884,850	\$37,610,123	\$37,611,791
Texas A&M International University	\$41,694,728	\$41,226,157	\$47,845,194	\$46,219,010
West Texas A&M University	\$48,920,007	\$44,841,001	\$48,669,498	\$46,958,899
Texas A&M University – Commerce	\$56,583,826	\$55,846,052	\$59,287,920	\$59,282,709

**FIGURE B1 (CONTINUED)**  
**ALL FUNDS – AGENCIES OF EDUCATION**

<b>ARTICLE III – AGENCIES OF EDUCATION</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
<b>General Academic Institutions (continued)</b>				
Texas A&M University – Texarkana	\$24,126,219	\$24,573,893	\$27,507,267	\$27,507,708
University of Houston System Administration	\$41,441,703	\$41,493,062	\$41,959,808	\$35,346,836
University of Houston	\$265,768,300	\$304,262,844	\$258,326,001	\$258,328,073
University of Houston – Clear Lake	\$41,466,024	\$40,632,831	\$44,689,071	\$44,689,360
University of Houston – Downtown	\$49,014,938	\$42,058,037	\$47,595,020	\$47,595,383
University of Houston – Victoria	\$20,372,042	\$20,541,100	\$22,226,400	\$22,226,505
Midwestern State University	\$6,149,199	\$5,974,646	\$6,057,318	\$6,063,493
University of North Texas System Administration	\$179,309,656	\$172,587,914	\$193,920,826	\$192,168,647
University of North Texas	\$31,519,810	\$30,468,579	\$35,382,789	\$35,380,171
University of North Texas at Dallas	\$54,754,455	\$53,447,268	\$53,899,002	\$53,898,307
Stephen F. Austin State University	\$91,456,921	\$94,171,463	\$76,016,518	\$68,401,447
Texas Southern University	\$1,368,000	\$1,231,200	\$1,299,600	\$1,299,600
Texas Tech University System Administration	\$228,326,495	\$214,504,595	\$255,685,412	\$242,476,106
Texas Tech University	\$41,185,439	\$38,020,934	\$40,438,984	\$39,481,339
Angelo State University	\$26,518,891	\$25,554,269	\$25,502,717	\$25,504,249
Texas Woman’s University	\$80,906,308	\$83,113,065	\$90,336,641	\$88,941,199
Texas State University System	\$1,368,000	\$1,231,200	\$1,299,600	\$1,299,600
Lamar University	\$69,135,180	\$68,218,337	\$83,598,881	\$82,231,691
Sam Houston State University	\$93,973,805	\$86,121,253	\$96,756,971	\$92,546,172
Texas State University	\$171,616,280	\$155,963,004	\$169,283,129	\$167,084,756
Sul Ross State University	\$13,879,587	\$13,278,774	\$12,528,105	\$11,578,861
Sul Ross State University Rio Grande College	\$4,417,269	\$4,113,784	\$5,736,288	\$5,736,290
<b>Subtotal, General Academic Institutions</b>	<b>\$3,822,252,243</b>	<b>\$3,691,435,748</b>	<b>\$3,960,198,013</b>	<b>\$3,895,215,491</b>
<b>Health-related Institutions</b>				
University of Texas Southwestern Medical Center	\$181,852,710	\$183,900,993	\$191,529,630	\$191,528,129
University of Texas Medical Branch at Galveston	\$285,466,405	\$284,643,015	\$285,935,495	\$285,937,345
University of Texas Health Science Center at Houston	\$218,365,369	\$218,483,307	\$223,497,662	\$223,497,111
University of Texas Health Science Center at San Antonio	\$176,776,164	\$193,493,787	\$174,140,344	\$174,139,944
University of Texas Rio Grande Valley School of Medicine	\$35,163,054	\$34,469,927	\$36,923,417	\$36,923,417
University of Texas M.D. Anderson Cancer Center	\$217,288,105	\$215,120,737	\$215,333,268	\$215,333,568
University of Texas Health Science Center at Tyler	\$51,897,150	\$51,758,421	\$53,320,087	\$53,320,137
Texas A&M University System Health Science Center	\$167,433,983	\$167,715,178	\$171,434,464	\$171,441,106
University of North Texas Health Science Center at Fort Worth	\$104,505,115	\$120,573,633	\$109,958,284	\$108,190,514
Texas Tech University Health Sciences Center	\$173,036,150	\$171,309,194	\$157,550,787	\$156,496,123
Texas Tech University Health Sciences Center at El Paso	\$82,243,383	\$81,874,510	\$74,570,053	\$72,287,849
University of Houston College of Medicine	\$0	\$0	\$14,597,672	\$14,597,672
<b>Subtotal, Health-related Institutions</b>	<b>\$1,694,027,588</b>	<b>\$1,723,342,702</b>	<b>\$1,708,791,163</b>	<b>\$1,703,692,915</b>

**FIGURE B1 (CONTINUED)**  
**ALL FUNDS – AGENCIES OF EDUCATION**

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
<b>Texas A&amp;M University Services</b>				
Texas A&M AgriLife Research	\$69,402,004	\$69,010,752	\$80,928,884	\$80,928,882
Texas A&M AgriLife Extension Service	\$73,880,474	\$72,445,556	\$75,196,492	\$75,181,492
Texas A&M Engineering Experiment Station	\$171,862,200	\$126,863,198	\$141,878,241	\$141,881,926
Texas A&M Transportation Institute	\$68,118,107	\$69,477,214	\$69,671,157	\$70,167,313
Texas A&M Engineering Extension Service	\$81,376,880	\$97,367,406	\$95,606,626	\$95,606,625
Texas A&M Forest Service	\$59,529,574	\$117,194,995	\$60,923,852	\$60,923,853
Texas A&M Veterinary Medical Diagnostic Laboratory	\$21,761,674	\$21,899,230	\$21,422,871	\$21,427,870
Texas Division of Emergency Management	\$1,900,408,272	\$1,881,888,748	\$420,547,991	\$339,443,183
<b>Subtotal, Texas A&amp;M University Services</b>	<b>\$2,446,339,185</b>	<b>\$2,456,147,099</b>	<b>\$966,176,114</b>	<b>\$885,561,144</b>
<b>Other Higher Education</b>				
Higher Education Coordinating Board	\$893,770,248	\$1,013,760,639	\$995,023,365	\$986,137,123
Higher Education Fund	\$393,750,000	\$393,750,000	\$393,750,000	\$393,750,000
Available University Fund	\$1,396,546,333	\$1,171,867,267	\$1,218,838,120	\$1,277,717,232
Available National Research University Fund	\$24,454,556	\$24,956,632	\$25,045,556	\$25,466,425
Support for Military and Veterans Exemptions	\$23,815,572	\$22,371,281	\$23,356,887	\$23,572,520
<b>Subtotal, Other Higher Education</b>	<b>\$2,732,336,709</b>	<b>\$2,626,705,819</b>	<b>\$2,656,013,928</b>	<b>\$2,706,643,300</b>
<b>Subtotal, Public Higher Education</b>	<b>\$11,782,630,954</b>	<b>\$11,598,939,252</b>	<b>\$10,393,520,278</b>	<b>\$10,286,584,197</b>
<b>Employee Benefits</b>				
Teacher Retirement System	\$3,040,150,937	\$2,890,359,804	\$3,733,834,023	\$3,181,570,703
Optional Retirement Program	\$179,300,872	\$181,745,036	\$184,262,933	\$186,856,298
Higher Education Employees Group Insurance Contributions	\$708,935,833	\$714,596,148	\$714,315,925	\$714,315,926
Retirement and Group Insurance	\$48,396,076	\$49,201,924	\$51,939,910	\$52,778,049
Social Security and Benefit Replacement Pay	\$325,382,838	\$335,204,324	\$345,879,969	\$353,822,125
<b>Subtotal, Employee Benefits</b>	<b>\$4,302,166,556</b>	<b>\$4,171,107,236</b>	<b>\$5,030,232,760</b>	<b>\$4,489,343,101</b>
<b>Debt Service</b>				
Bond Debt Service Payments	\$7,228,252	\$7,930,203	\$6,704,537	\$6,378,680
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$7,228,252</b>	<b>\$7,930,203</b>	<b>\$6,704,537</b>	<b>\$6,378,680</b>
Less Interagency Contracts	\$93,312,288	\$83,849,554	\$64,572,036	\$64,703,440
<b>Total, Article III – Agencies of Education</b>	<b>\$49,001,058,215</b>	<b>\$46,696,340,007</b>	<b>\$48,605,071,451</b>	<b>\$47,448,314,645</b>

NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B1 (CONTINUED)**  
**ALL FUNDS – JUDICIARY**

<b>ARTICLE IV – JUDICIARY</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Supreme Court of Texas	\$101,544,980	\$53,238,210	\$53,642,681	\$43,642,682
Court of Criminal Appeals	\$20,451,263	\$19,664,411	\$23,285,523	\$23,299,658
First Court of Appeals District, Houston	\$4,717,931	\$4,829,948	\$4,778,233	\$4,829,981
Second Court of Appeals District, Fort Worth	\$3,719,761	\$3,846,226	\$3,780,612	\$3,780,612
Third Court of Appeals District, Austin	\$3,148,078	\$3,191,474	\$3,172,688	\$3,172,688
Fourth Court of Appeals District, San Antonio	\$3,555,670	\$4,007,638	\$3,754,863	\$3,754,864
Fifth Court of Appeals District, Dallas	\$6,473,954	\$6,906,461	\$6,678,419	\$6,678,420
Sixth Court of Appeals District, Texarkana	\$1,728,682	\$1,745,682	\$1,736,682	\$1,736,682
Seventh Court of Appeals District, Amarillo	\$2,049,112	\$2,279,170	\$2,177,290	\$2,177,291
Eighth Court of Appeals District, El Paso	\$1,564,455	\$1,805,516	\$1,691,219	\$1,691,218
Ninth Court of Appeals District, Beaumont	\$2,213,235	\$2,213,235	\$2,213,235	\$2,213,235
Tenth Court of Appeals District, Waco	\$1,585,874	\$1,969,473	\$1,777,673	\$1,777,674
Eleventh Court of Appeals District, Eastland	\$1,693,285	\$1,748,003	\$1,725,829	\$1,725,829
Twelfth Court of Appeals District, Tyler	\$1,699,916	\$1,808,613	\$1,754,552	\$1,754,552
Thirteenth Court of Appeals District, Corpus Christi–Edinburg	\$3,133,235	\$3,271,680	\$3,211,064	\$3,211,065
Fourteenth Court of Appeals District, Houston	\$4,993,615	\$4,989,405	\$4,974,860	\$5,026,711
Office of Court Administration, Texas Judicial Council	\$93,422,613	\$122,207,437	\$135,662,352	\$100,568,808
Office of Capital and Forensic Writs	\$1,561,889	\$1,963,267	\$2,150,710	\$2,150,711
Office of the State Prosecuting Attorney	\$439,542	\$486,088	\$471,030	\$471,210
State Law Library	\$1,075,109	\$1,060,938	\$1,099,874	\$1,086,979
State Commission on Judicial Conduct	\$1,024,657	\$1,359,251	\$1,221,954	\$1,221,954
Judiciary Section, Comptroller's Department	\$173,830,881	\$175,573,821	\$181,488,835	\$182,002,228
<b>Subtotal, Judiciary</b>	<b>\$435,627,737</b>	<b>\$420,165,947</b>	<b>\$442,450,178</b>	<b>\$397,975,052</b>
Retirement and Group Insurance	\$63,384,163	\$63,271,700	\$63,767,336	\$64,204,630
Social Security and Benefit Replacement Pay	\$13,279,999	\$13,318,407	\$13,384,416	\$13,432,034
<b>Subtotal, Employee Benefits</b>	<b>\$76,664,162</b>	<b>\$76,590,107</b>	<b>\$77,151,752</b>	<b>\$77,636,664</b>
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Less Interagency Contracts	\$10,983,742	\$11,604,728	\$12,203,538	\$11,299,845
<b>Total, Article IV – Judiciary</b>	<b>\$501,308,157</b>	<b>\$485,151,326</b>	<b>\$507,398,392</b>	<b>\$464,311,871</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B1 (CONTINUED)**  
**ALL FUNDS – PUBLIC SAFETY AND CRIMINAL JUSTICE**

<b>ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Alcoholic Beverage Commission	\$57,459,444	\$54,696,949	\$49,864,541	\$50,874,627
Department of Criminal Justice	\$3,485,674,914	\$3,763,873,463	\$3,440,909,861	\$3,417,328,219
Commission on Fire Protection	\$2,010,059	\$1,797,208	\$1,881,488	\$1,881,488
Commission on Jail Standards	\$1,540,419	\$1,440,419	\$1,655,204	\$1,440,419
Juvenile Justice Department	\$331,811,693	\$311,415,780	\$318,879,989	\$316,737,053
Commission on Law Enforcement	\$4,119,289	\$8,766,516	\$5,924,431	\$5,332,834
Texas Military Department	\$129,143,575	\$130,837,573	\$497,628,538	\$105,854,380
Department of Public Safety	\$1,645,503,867	\$1,582,972,635	\$1,623,128,502	\$1,357,051,899
<b>Subtotal, Public Safety and Criminal Justice</b>	<b>\$5,657,263,260</b>	<b>\$5,855,800,543</b>	<b>\$5,939,872,554</b>	<b>\$5,256,500,919</b>
Retirement and Group Insurance	\$926,471,180	\$931,772,210	\$965,882,936	\$977,356,706
Social Security and Benefit Replacement Pay	\$195,641,602	\$194,449,684	\$202,144,516	\$202,884,538
<b>Subtotal, Employee Benefits</b>	<b>\$1,122,112,782</b>	<b>\$1,126,221,894</b>	<b>\$1,168,027,452</b>	<b>\$1,180,241,244</b>
Bond Debt Service Payments	\$70,419,362	\$67,593,280	\$66,452,459	\$64,136,974
Lease Payments	\$54,788	\$37,668	\$21,942	\$0
<b>Subtotal, Debt Service</b>	<b>\$70,474,150</b>	<b>\$67,630,948</b>	<b>\$66,474,401</b>	<b>\$64,136,974</b>
Less Interagency Contracts	\$89,774,031	\$86,972,952	\$83,463,407	\$82,181,996
<b>Total, Article V – Public Safety and Criminal Justice</b>	<b>\$6,760,076,161</b>	<b>\$6,962,680,433</b>	<b>\$7,090,911,000</b>	<b>\$6,418,697,141</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B1 (CONTINUED)**  
**ALL FUNDS – NATURAL RESOURCES**

<b>ARTICLE VI – NATURAL RESOURCES</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Agriculture	\$801,014,143	\$1,253,779,545	\$698,395,577	\$696,867,213
Animal Health Commission	\$15,784,092	\$17,778,493	\$15,457,063	\$15,287,236
Commission on Environmental Quality	\$355,530,484	\$419,179,771	\$335,511,681	\$313,760,612
General Land Office and Veterans' Land Board	\$2,050,673,076	\$2,992,710,881	\$2,466,368,201	\$1,106,548,364
Low-level Radioactive Waste Disposal Compact Commission	\$263,664	\$603,840	\$443,227	\$443,227
Parks and Wildlife Department	\$575,639,518	\$395,300,047	\$442,430,830	\$378,578,270
Railroad Commission	\$148,124,272	\$173,003,135	\$144,422,777	\$136,364,332
Soil and Water Conservation Board	\$69,237,639	\$152,990,642	\$37,036,270	\$37,036,269
Water Development Board	\$1,265,056,619	\$578,843,385	\$313,677,166	\$233,032,562
<b>Subtotal, Natural Resources</b>	<b>\$5,281,323,507</b>	<b>\$5,984,189,739</b>	<b>\$4,453,742,792</b>	<b>\$2,917,918,085</b>
Retirement and Group Insurance	\$168,400,872	\$172,498,905	\$178,410,316	\$181,469,356
Social Security and Benefit Replacement Pay	\$38,326,375	\$39,102,677	\$40,282,250	\$40,589,434
<b>Subtotal, Employee Benefits</b>	<b>\$206,727,247</b>	<b>\$211,601,582</b>	<b>\$218,692,566</b>	<b>\$222,058,790</b>
Bond Debt Service Payments	\$13,290,695	\$12,343,223	\$12,135,354	\$11,536,713
Lease Payments	\$1,919,936	\$1,320,023	\$739,527	\$0
<b>Subtotal, Debt Service</b>	<b>\$15,210,631</b>	<b>\$13,663,246</b>	<b>\$12,874,881</b>	<b>\$11,536,713</b>
Less Interagency Contracts	\$10,826,322	\$10,355,207	\$10,387,184	\$10,387,184
<b>Total, Article VI – Natural Resources</b>	<b>\$5,492,435,063</b>	<b>\$6,199,099,360</b>	<b>\$4,674,923,055</b>	<b>\$3,141,126,404</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B1 (CONTINUED)**  
**ALL FUNDS – BUSINESS AND ECONOMIC DEVELOPMENT**

<b>ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Housing and Community Affairs	\$330,049,516	\$512,310,276	\$427,415,156	\$374,206,167
Texas Lottery Commission	\$264,736,861	\$292,052,022	\$266,306,218	\$258,839,399
Department of Motor Vehicles	\$157,232,212	\$184,693,182	\$156,209,975	\$151,124,715
Department of Transportation	\$19,356,902,956	\$13,861,818,580	\$15,283,084,390	\$14,959,400,782
Texas Workforce Commission	\$2,369,452,839	\$1,972,725,991	\$1,912,605,996	\$1,879,054,170
Reimbursements to the Unemployment Compensation Benefit Account	\$23,201,505	\$31,878,250	\$40,760,123	\$24,048,443
<b>Subtotal, Business and Economic Development</b>	<b>\$22,501,575,889</b>	<b>\$16,855,478,301</b>	<b>\$18,086,381,858</b>	<b>\$17,646,673,676</b>
Retirement and Group Insurance	\$399,766,285	\$406,895,231	\$417,221,753	\$423,800,274
Social Security and Benefit Replacement Pay	\$82,710,216	\$83,339,807	\$84,811,073	\$85,059,294
<b>Subtotal, Employee Benefits</b>	<b>\$482,476,501</b>	<b>\$490,235,038</b>	<b>\$502,032,826</b>	<b>\$508,859,568</b>
Bond Debt Service Payments	\$11,139,346	\$10,200,237	\$10,307,411	\$9,951,967
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$11,139,346</b>	<b>\$10,200,237</b>	<b>\$10,307,411</b>	<b>\$9,951,967</b>
Less Interagency Contracts	\$140,403,279	\$143,627,861	\$113,572,213	\$102,701,322
<b>Total, Article VII – Business and Economic Development</b>	<b>\$22,854,788,457</b>	<b>\$17,212,285,715</b>	<b>\$18,485,149,882</b>	<b>\$18,062,783,889</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.



**FIGURE B1 (CONTINUED)**  
**ALL FUNDS – REGULATORY**

<b>ARTICLE VIII – REGULATORY</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
State Office of Administrative Hearings	\$11,084,859	\$12,397,164	\$11,226,012	\$11,226,011
Behavioral Health Executive Council	\$635,008	\$4,007,905	\$4,917,405	\$4,779,174
Board of Chiropractic Examiners	\$809,391	\$888,983	\$970,778	\$930,778
Texas State Board of Dental Examiners	\$4,396,307	\$4,497,503	\$4,662,190	\$4,548,074
Funeral Service Commission	\$789,640	\$858,367	\$914,251	\$875,156
Board of Professional Geoscientists	\$539,965	\$595,637	\$650,749	\$598,655
Health Professions Council	\$1,121,744	\$1,181,869	\$1,556,899	\$1,372,832
Office of Injured Employee Counsel	\$8,050,486	\$9,202,339	\$8,701,413	\$8,701,413
Department of Insurance	\$117,133,131	\$169,064,608	\$130,773,055	\$144,851,129
Office of Public Insurance Counsel	\$938,088	\$1,000,090	\$1,000,090	\$1,000,090
Department of Licensing and Regulation	\$42,605,104	\$45,676,433	\$43,465,201	\$43,491,560
Texas Medical Board	\$14,108,398	\$13,940,310	\$17,690,795	\$14,378,319
Texas Board of Nursing	\$13,119,834	\$13,081,154	\$13,722,475	\$13,525,341
Optometry Board	\$518,020	\$481,817	\$556,723	\$518,007
Board of Pharmacy	\$9,670,412	\$10,520,741	\$10,158,832	\$10,135,114
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$1,365,613	\$1,368,577	\$1,433,576	\$1,393,824
Board of Plumbing Examiners	\$2,806,182	\$2,819,502	\$2,952,684	\$2,942,284
Racing Commission	\$6,369,360	\$6,657,466	\$6,845,249	\$6,622,496
Securities Board	\$7,197,314	\$7,566,891	\$7,653,507	\$7,653,508
Public Utility Commission of Texas	\$16,552,551	\$16,577,001	\$21,844,120	\$20,733,508
Office of Public Utility Counsel	\$2,028,975	\$2,028,976	\$2,516,964	\$2,516,964
Board of Veterinary Medical Examiners	\$1,317,431	\$1,334,790	\$1,473,491	\$1,409,791
<b>Subtotal, Regulatory</b>	<b>\$263,157,813</b>	<b>\$325,748,123</b>	<b>\$295,686,459</b>	<b>\$304,204,028</b>
Retirement and Group Insurance	\$57,782,734	\$58,592,500	\$59,465,014	\$60,333,666
Social Security and Benefit Replacement Pay	\$13,185,227	\$13,214,090	\$13,264,202	\$13,305,115
<b>Subtotal, Employee Benefits</b>	<b>\$70,967,961</b>	<b>\$71,806,590</b>	<b>\$72,729,216</b>	<b>\$73,638,781</b>
Lease Payments	\$8,997	\$6,185	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$8,997</b>	<b>\$6,185</b>	<b>\$0</b>	<b>\$0</b>
Less Interagency Contracts	\$6,178,341	\$6,231,047	\$6,206,207	\$6,022,140
<b>Total, Article VIII – Regulatory</b>	<b>\$327,956,430</b>	<b>\$391,329,851</b>	<b>\$362,209,468</b>	<b>\$371,820,669</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B1 (CONTINUED)**  
**ALL FUNDS – LEGISLATURE**

<b>ARTICLE X – LEGISLATURE</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Senate	\$33,757,897	\$37,955,882	\$34,422,614	\$37,291,165
House of Representatives	\$35,749,647	\$55,949,098	\$43,098,410	\$48,600,335
Legislative Budget Board	\$12,056,367	\$14,301,630	\$13,178,999	\$13,178,998
Legislative Council	\$40,104,590	\$43,657,667	\$40,205,883	\$43,556,374
Commission on Uniform State Laws	\$125,416	\$162,500	\$173,958	\$173,958
Sunset Advisory Commission	\$1,890,711	\$2,646,734	\$2,268,722	\$2,268,722
State Auditor's Office	\$20,912,484	\$22,000,960	\$21,802,403	\$21,802,402
Legislative Reference Library	\$1,443,642	\$2,027,858	\$1,735,750	\$1,735,750
<b>Subtotal, Legislature</b>	<b>\$146,040,754</b>	<b>\$178,702,329</b>	<b>\$156,886,739</b>	<b>\$168,607,704</b>
Retirement and Group Insurance	\$37,177,333	\$37,660,928	\$38,161,558	\$38,679,876
Social Security and Benefit Replacement Pay	\$8,665,019	\$8,688,147	\$8,714,864	\$8,744,591
<b>Subtotal, Employee Benefits</b>	<b>\$45,842,352</b>	<b>\$46,349,075</b>	<b>\$46,876,422</b>	<b>\$47,424,467</b>
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Less Interagency Contracts	\$4,059,602	\$4,676,000	\$4,676,000	\$4,676,000
<b>Total, Article X – Legislature</b>	<b>\$187,823,504</b>	<b>\$220,375,404</b>	<b>\$199,087,161</b>	<b>\$211,356,171</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (4) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.
- (5) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B1 (CONTINUED)**  
**ALL FUNDS – AMERICAN RESCUE PLAN ACT (ARPA) OF 2021**

ARTICLE XII – ARPA	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
Office of the Attorney General	\$0	\$0	\$107,033,114	\$0
Fiscal Programs within the Comptroller of Public Accounts	\$0	\$0	\$7,845,895,109	\$0
Commission on State Emergency Communications	\$0	\$0	\$150,000,000	\$0
Facilities Commission	\$0	\$0	\$40,000,000	\$0
Trusted Programs within the Office of the Governor	\$0	\$0	\$341,200,000	\$0
Historical Commission	\$0	\$0	\$20,000,000	\$0
Department of Information Resources	\$0	\$0	\$200,000,000	\$0
Preservation Board	\$0	\$0	\$25,000,000	\$0
Department of State Health Services	\$0	\$0	\$2,058,400,000	\$0
Health and Human Services Commission	\$0	\$0	\$731,114,250	\$0
Texas Education Agency	\$0	\$0	\$3,000,000	\$0
Teacher Retirement System	\$0	\$0	\$286,337,761	\$0
Higher Education Coordinating Board	\$0	\$0	\$474,082,887	\$0
University of Texas at Austin	\$0	\$0	\$3,235,000	\$0
Texas A&M University at Galveston	\$0	\$0	\$1,150,000	\$0
University of Houston	\$0	\$0	\$50,000,000	\$0
Texas Tech University	\$0	\$0	\$50,000,000	\$0
University of Texas Health Science Center at Houston	\$0	\$0	\$40,000,000	\$0
Texas Division of Emergency Management	\$0	\$0	\$300,000,000	\$0
Office of Court Administration, Texas Judicial Council	\$0	\$0	\$16,942,466	\$0
Office of Capital and Forensic Writs	\$0	\$0	\$200,000	\$0
Judiciary Section, Comptroller's Department	\$0	\$0	\$7,000,000	\$0
Department of Criminal Justice	\$0	\$0	\$359,673,191	\$0
Commission on Law Enforcement	\$0	\$0	\$5,800,000	\$0
Department of Agriculture	\$0	\$0	\$100,000,000	\$0
General Land Office and Veterans Land Board	\$0	\$0	\$40,300,000	\$0
Parks and Wildlife Department	\$0	\$0	\$43,000,000	\$0
Department of Transportation	\$0	\$0	\$15,500,000	\$0
<b>Total, Article XII – ARPA</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,314,863,778</b>	<b>\$0</b>

NOTE: Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

## APPENDIX B – SUMMARY OF STATE BUDGET BY FISCAL YEAR

### GENERAL REVENUE FUNDS

FIGURE B2

#### GENERAL REVENUE FUNDS – STATEWIDE SUMMARY

FUNCTION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
Article I – General Government	\$2,009,234,543	\$3,115,717,922	\$3,722,728,452	\$1,871,492,889
Article II – Health and Human Services	\$16,075,579,585	\$16,692,409,607	\$17,230,180,053	\$17,217,027,253
Article III – Agencies of Education	\$31,163,710,985	\$29,476,260,534	\$31,755,906,067	\$32,277,949,406
<i>Public Education</i>	\$20,719,374,074	\$19,403,034,627	\$19,991,170,058	\$21,166,058,651
<i>Higher Education</i>	\$7,906,208,802	\$7,623,665,669	\$8,367,807,279	\$8,258,478,053
Article IV – Judiciary	\$269,665,095	\$284,154,971	\$313,066,250	\$280,002,108
Article V – Public Safety and Criminal Justice	\$5,971,151,900	\$4,961,782,850	\$5,940,751,131	\$6,028,765,694
Article VI – Natural Resources	\$477,749,162	\$471,040,607	\$800,125,191	\$508,043,722
Article VII – Business and Economic Development	\$255,016,126	\$265,868,470	\$245,286,142	\$245,365,474
Article VIII – Regulatory	\$179,175,176	\$190,323,197	\$155,994,966	\$151,224,678
Article IX – General Provisions	\$0	\$0	\$0	\$0
Article X – Legislature	\$187,797,042	\$220,273,979	\$198,985,736	\$211,254,746
<b>Total, All Functions</b>	<b>\$56,589,079,614</b>	<b>\$55,677,832,137</b>	<b>\$60,363,023,988</b>	<b>\$58,791,125,970</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B2 (CONTINUED)**  
**GENERAL REVENUE FUNDS – GENERAL GOVERNMENT**

ARTICLE I – GENERAL GOVERNMENT	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
Commission on the Arts	\$9,903,829	\$14,205,793	\$10,164,493	\$10,164,492
Office of the Attorney General	\$246,960,709	\$281,914,215	\$357,803,206	\$245,256,546
Bond Review Board	\$902,890	\$813,590	\$898,912	\$898,911
Cancer Prevention and Research Institute of Texas	\$0	\$0	\$0	\$0
Comptroller of Public Accounts	\$309,976,715	\$303,691,939	\$337,504,879	\$320,550,155
Fiscal Programs within the Office of the Comptroller of Public Accounts	\$606,547,008	\$855,736,933	\$580,164,270	\$570,564,272
Commission on State Emergency Communications	\$0	\$0	\$0	\$0
Texas Emergency Services Retirement System	\$679,626	\$661,651	\$680,662	\$680,661
Employees Retirement System	\$15,038,215	\$692,050,000	\$13,750,000	\$13,750,000
Texas Ethics Commission	\$3,327,022	\$3,715,656	\$3,175,558	\$3,175,558
Facilities Commission	\$82,840,221	\$213,054,416	\$54,492,072	\$54,409,184
Public Finance Authority	\$851,390	\$773,517	\$944,110	\$891,609
Office of the Governor	\$17,568,397	\$17,568,397	\$11,808,830	\$11,808,830
Trusted Programs within the Office of the Governor	\$243,369,318	\$251,524,716	\$1,766,937,780	\$72,023,796
Historical Commission	\$34,166,763	\$24,563,540	\$38,862,260	\$26,244,991
Department of Information Resources	\$2,478,528	\$23,782,114	\$27,102,832	\$7,854,832
Library and Archives Commission	\$16,880,171	\$16,625,084	\$16,792,202	\$16,777,204
Pension Review Board	\$1,101,749	\$1,642,874	\$1,128,749	\$1,128,749
Preservation Board	\$15,146,611	\$17,020,961	\$9,909,742	\$9,500,217
State Office of Risk Management	\$0	\$0	\$0	\$0
Secretary of State	\$38,914,613	\$30,570,328	\$43,772,085	\$19,505,484
Veterans Commission	\$13,790,293	\$13,694,258	\$14,541,428	\$14,413,095
<b>Subtotal, General Government</b>	<b>\$1,660,444,068</b>	<b>\$2,763,609,982</b>	<b>\$3,290,434,070</b>	<b>\$1,399,598,586</b>
Retirement and Group Insurance	\$137,458,825	\$135,316,009	\$137,232,237	\$139,341,548
Social Security and Benefit Replacement Pay	\$35,546,508	\$34,758,394	\$34,874,247	\$35,034,941
<b>Subtotal, Employee Benefits</b>	<b>\$173,005,333</b>	<b>\$170,074,403</b>	<b>\$172,106,484</b>	<b>\$174,376,489</b>
Bond Debt Service Payments	\$153,467,698	\$169,085,409	\$201,365,115	\$226,932,269
Lease Payments	\$22,317,444	\$12,948,128	\$58,822,783	\$70,585,545
<b>Subtotal, Debt Service</b>	<b>\$175,785,142</b>	<b>\$182,033,537</b>	<b>\$260,187,898</b>	<b>\$297,517,814</b>
<b>Total, Article I – General Government</b>	<b>\$2,009,234,543</b>	<b>\$3,115,717,922</b>	<b>\$3,722,728,452</b>	<b>\$1,871,492,889</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B2 (CONTINUED)**  
**GENERAL REVENUE FUNDS – HEALTH AND HUMAN SERVICES**

<b>ARTICLE II – HEALTH AND HUMAN SERVICES</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Family and Protective Services	\$1,110,764,811	\$1,094,555,653	\$1,351,272,762	\$1,387,991,983
Department of State Health Services	\$280,501,072	\$265,516,550	\$274,581,742	\$257,700,328
Health and Human Services Commission	\$13,945,696,666	\$14,589,836,056	\$14,857,493,982	\$14,794,905,525
<b>Subtotal, Health and Human Services</b>	<b>\$15,336,962,549</b>	<b>\$15,949,908,259</b>	<b>\$16,483,348,486</b>	<b>\$16,440,597,836</b>
Retirement and Group Insurance	\$586,054,427	\$593,468,172	\$587,998,458	\$609,624,720
Social Security and Benefit Replacement Pay	\$123,803,829	\$124,149,603	\$120,441,247	\$125,027,014
<b>Subtotal, Employee Benefits</b>	<b>\$709,858,256</b>	<b>\$717,617,775</b>	<b>\$708,439,705</b>	<b>\$734,651,734</b>
Bond Debt Service Payments	\$21,152,180	\$15,622,175	\$19,519,009	\$19,135,059
Lease Payments	\$7,606,600	\$9,261,398	\$18,872,853	\$22,642,624
<b>Subtotal, Debt Service</b>	<b>\$28,758,780</b>	<b>\$24,883,573</b>	<b>\$38,391,862</b>	<b>\$41,777,683</b>
<b>Total, Article II – Health and Human Services</b>	<b>\$16,075,579,585</b>	<b>\$16,692,409,607</b>	<b>\$17,230,180,053</b>	<b>\$17,217,027,253</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B2 (CONTINUED)**  
**GENERAL REVENUE FUNDS – AGENCIES OF EDUCATION**

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
<b>Public Education</b>				
Texas Education Agency	\$19,448,842,998	\$16,510,670,935	\$22,742,391,008	\$21,979,471,649
School for the Blind and Visually Impaired	\$15,706,623	\$15,805,381	\$16,597,224	\$16,422,226
School for the Deaf	\$18,728,258	\$18,870,036	\$24,347,311	\$19,353,738
<b>Subtotal, Public Education</b>	<b>\$19,483,277,879</b>	<b>\$16,545,346,352</b>	<b>\$22,783,335,543</b>	<b>\$22,015,247,613</b>
<b>Public Higher Education</b>				
<b>Two-year Institutions</b>				
Public Community/Junior Colleges	\$899,540,045	\$908,079,998	\$936,193,916	\$931,497,068
<b>Lamar State Colleges</b>				
Lamar Institute of Technology	\$9,829,225	\$9,686,743	\$14,297,451	\$14,282,770
Lamar State College – Orange	\$8,293,981	\$8,056,076	\$10,449,161	\$10,443,155
Lamar State College – Port Arthur	\$9,293,644	\$9,096,512	\$12,934,838	\$12,914,280
<b>Subtotal, Lamar State Colleges</b>	<b>\$27,416,850</b>	<b>\$26,839,331</b>	<b>\$37,681,450</b>	<b>\$37,640,205</b>
<b>Texas State Technical Colleges</b>				
Texas State Technical College System Administration	\$3,113,481	\$33,018,419	\$3,043,910	\$3,042,093
Texas State Technical College – Harlingen	\$18,585,674	\$17,272,510	\$27,009,390	\$27,199,749
Texas State Technical College – West Texas	\$10,801,190	\$10,875,213	\$11,688,197	\$11,685,060
Texas State Technical College – Marshall	\$3,656,672	\$4,627,722	\$6,556,685	\$6,555,047
Texas State Technical College – Waco	\$24,818,098	\$24,574,398	\$34,904,948	\$34,894,816
Texas State Technical College – Fort Bend	\$5,485,205	\$5,470,590	\$5,962,649	\$5,956,640
Texas State Technical College – North Texas	\$3,186,204	\$3,306,014	\$3,717,575	\$3,717,377
<b>Subtotal, Texas State Technical Colleges</b>	<b>\$69,646,524</b>	<b>\$99,144,866</b>	<b>\$92,883,354</b>	<b>\$93,050,782</b>
<b>Subtotal, Two-year Institutions</b>	<b>\$996,603,419</b>	<b>\$1,034,064,195</b>	<b>\$1,066,758,720</b>	<b>\$1,062,188,055</b>
<b>General Academic Institutions</b>				
University of Texas System Administration	\$9,516,706	\$8,870,153	\$8,820,703	\$8,166,643
University of Texas at Arlington	\$106,792,469	\$107,170,649	\$125,093,925	\$124,996,206
University of Texas at Austin	\$301,704,151	\$294,762,936	\$315,444,013	\$305,899,032
University of Texas at Dallas	\$89,546,409	\$88,858,840	\$99,582,898	\$99,321,497
University of Texas at El Paso	\$82,960,548	\$83,055,003	\$87,763,535	\$87,709,125
University of Texas Rio Grande Valley	\$92,171,491	\$92,366,814	\$97,104,134	\$97,095,892
University of Texas of the Permian Basin	\$31,559,969	\$31,557,322	\$31,866,072	\$31,856,430
University of Texas at San Antonio	\$99,492,470	\$100,718,147	\$114,621,965	\$114,586,252
University of Texas at Tyler	\$35,661,469	\$35,671,551	\$36,070,813	\$36,056,229
Texas A&M University System Administrative and General Offices	\$770,028	\$770,027	\$770,028	\$770,027
Texas A&M University	\$296,154,502	\$295,990,725	\$342,078,776	\$341,803,641
Texas A&M University at Galveston	\$21,898,030	\$21,906,357	\$22,161,422	\$22,143,056
Prairie View A&M University	\$48,386,805	\$48,364,594	\$48,230,831	\$48,191,613
Tarleton State University	\$45,955,374	\$46,030,599	\$45,738,384	\$45,724,236
Texas A&M University – Central Texas	\$15,704,545	\$16,441,596	\$17,299,692	\$17,293,373
Texas A&M University – Corpus Christi	\$47,984,409	\$48,065,037	\$51,905,781	\$51,873,543
Texas A&M University – Kingsville	\$38,756,260	\$38,509,310	\$38,836,780	\$38,784,047
Texas A&M University – San Antonio	\$27,955,866	\$27,964,402	\$31,565,412	\$31,566,021
Texas A&M International University	\$31,334,601	\$31,362,469	\$32,088,813	\$32,070,239
West Texas A&M University	\$35,174,681	\$32,251,766	\$35,162,490	\$33,449,518

**FIGURE B2 (CONTINUED)**  
**GENERAL REVENUE FUNDS – AGENCIES OF EDUCATION**

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
Texas A&M University – Commerce	\$40,290,765	\$40,215,259	\$43,671,153	\$43,664,105
Texas A&M University – Texarkana	\$21,780,280	\$21,777,202	\$25,114,786	\$25,114,768
University of Houston System Administration	\$41,441,703	\$41,481,178	\$41,948,570	\$35,335,598
University of Houston	\$172,360,741	\$207,868,614	\$176,785,180	\$176,775,337
University of Houston – Clear Lake	\$27,674,769	\$27,693,093	\$31,695,263	\$31,693,539
University of Houston – Downtown	\$24,272,028	\$24,252,366	\$26,474,972	\$26,472,458
University of Houston – Victoria	\$13,897,305	\$13,935,768	\$15,481,287	\$15,480,729
Midwestern State University	\$6,149,199	\$5,974,646	\$6,057,318	\$6,063,493
University of North Texas System Administration	\$111,222,122	\$104,315,290	\$126,586,531	\$124,819,522
University of North Texas	\$24,304,031	\$23,043,541	\$27,930,195	\$27,927,427
University of North Texas at Dallas	\$37,473,135	\$36,406,556	\$39,152,020	\$39,149,878
Stephen F. Austin State University	\$49,628,698	\$49,597,747	\$58,457,874	\$50,839,926
Texas Southern University	\$1,368,000	\$1,231,200	\$1,299,600	\$1,299,600
Texas Tech University System Administration	\$167,441,568	\$154,175,260	\$194,621,230	\$181,401,181
Texas Tech University	\$29,506,087	\$26,806,614	\$29,501,018	\$28,542,994
Angelo State University	\$20,738,709	\$19,101,474	\$19,681,345	\$19,682,190
Texas Woman’s University	\$59,111,457	\$61,516,280	\$68,983,974	\$67,586,824
Texas State University System	\$1,368,000	\$1,231,200	\$1,299,600	\$1,299,600
Lamar University	\$49,642,353	\$45,262,731	\$65,317,537	\$63,948,912
Sam Houston State University	\$57,947,177	\$53,672,401	\$60,879,323	\$59,748,337
Texas State University	\$120,815,161	\$110,620,511	\$122,882,938	\$120,683,302
Sul Ross State University	\$11,970,291	\$11,544,197	\$10,824,397	\$9,875,113
Sul Ross State University Rio Grande College	\$3,635,769	\$3,434,129	\$4,857,913	\$4,857,900
<b>Subtotal, General Academic Institutions</b>	<b>\$2,649,554,567</b>	<b>\$2,592,394,543</b>	<b>\$2,877,860,201</b>	<b>\$2,817,686,544</b>
<b>Health-related Institutions</b>				
University of Texas Southwestern Medical Center	\$169,568,982	\$169,569,682	\$178,422,659	\$178,421,158
University of Texas Medical Branch at Galveston	\$267,775,848	\$207,392,978	\$269,940,223	\$269,942,075
University of Texas Health Science Center at Houston	\$188,280,861	\$188,280,561	\$193,487,323	\$193,486,772
University of Texas Health Science Center at San Antonio	\$147,460,472	\$147,460,709	\$146,571,318	\$146,570,918
University of Texas Rio Grande Valley School of Medicine	\$32,285,815	\$32,285,815	\$34,603,790	\$34,603,790
University of Texas M.D. Anderson Cancer Center	\$202,092,811	\$102,475,534	\$205,441,766	\$205,442,066
University of Texas Health Science Center at Tyler	\$48,604,141	\$48,603,941	\$49,975,313	\$49,975,363
Texas A&M University System Health Science Center	\$145,469,479	\$145,473,871	\$152,462,565	\$152,469,207
University of North Texas Health Science Center at Fort Worth	\$90,360,085	\$99,875,693	\$96,824,800	\$95,057,030
Texas Tech University Health Sciences Center	\$148,184,642	\$148,167,963	\$138,219,987	\$137,165,323
Texas Tech University Health Sciences Center at El Paso	\$70,254,352	\$70,238,744	\$68,834,516	\$66,552,312
University of Houston College of Medicine	\$0	\$0	\$13,234,002	\$13,234,002
<b>Subtotal, Health-related Institutions</b>	<b>\$1,510,337,488</b>	<b>\$1,359,825,491</b>	<b>\$1,548,018,262</b>	<b>\$1,542,920,016</b>



**FIGURE B2 (CONTINUED)**  
**GENERAL REVENUE FUNDS – AGENCIES OF EDUCATION**

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
<b>Texas A&amp;M University Services</b>				
Texas A&M AgriLife Research	\$52,434,578	\$52,043,325	\$63,595,744	\$63,595,742
Texas A&M AgriLife Extension Service	\$46,730,703	\$45,312,330	\$48,778,807	\$48,763,807
Texas A&M Engineering Experiment Station	\$69,710,032	\$24,711,030	\$27,782,562	\$27,786,247
Texas A&M Transportation Institute	\$7,232,619	\$7,232,618	\$7,169,161	\$7,169,160
Texas A&M Engineering Extension Service	\$8,477,360	\$8,477,360	\$8,299,641	\$8,299,641
Texas A&M Forest Service	\$30,310,318	\$30,310,317	\$10,673,179	\$10,673,179
Texas A&M Veterinary Medical Diagnostic Laboratory	\$9,139,623	\$8,759,688	\$9,232,541	\$9,232,540
Texas Division of Emergency Management	\$9,692,909	\$81,110,067	\$36,378,709	\$15,862,082
<b>Subtotal, Texas A&amp;M University Services</b>	<b>\$233,728,142</b>	<b>\$257,956,735</b>	<b>\$211,910,344</b>	<b>\$191,382,398</b>
<b>Other Higher Education</b>				
Higher Education Coordinating Board	\$809,143,294	\$758,599,751	\$913,111,048	\$904,872,093
Higher Education Fund	\$393,750,000	\$393,750,000	\$393,750,000	\$393,750,000
Available University Fund	\$0	\$0	\$0	\$0
Available National Research University Fund	\$0	\$0	\$0	\$0
Support for Military and Veterans Exemptions	\$15,000,000	\$13,500,000	\$14,250,000	\$14,250,000
<b>Subtotal, Other Higher Education</b>	<b>\$1,217,893,294</b>	<b>\$1,165,849,751</b>	<b>\$1,321,111,048</b>	<b>\$1,312,872,093</b>
<b>Subtotal, Public Higher Education</b>	<b>\$6,688,315,508</b>	<b>\$6,457,815,918</b>	<b>\$7,046,696,231</b>	<b>\$6,945,605,960</b>
<b>Employee Benefits</b>				
Teacher Retirement System	\$2,614,863,530	\$2,461,454,827	\$3,559,604,877	\$3,000,200,663
Optional Retirement Program	\$127,923,657	\$128,687,732	\$129,470,599	\$130,272,197
Higher Education Employees Group Insurance Contributions	\$708,935,833	\$714,596,148	\$711,562,062	\$711,562,063
Retirement and Group Insurance	\$36,510,679	\$34,928,503	\$35,738,752	\$36,479,620
Social Security and Benefit Replacement Pay	\$260,562,240	\$267,812,576	\$274,958,951	\$281,391,572
<b>Subtotal, Employee Benefits</b>	<b>\$3,748,795,939</b>	<b>\$3,607,479,786</b>	<b>\$4,711,335,241</b>	<b>\$4,159,906,115</b>
<b>Debt Service</b>				
Bond Debt Service Payments	\$7,225,464	\$7,930,203	\$6,704,537	\$6,378,680
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$7,225,464</b>	<b>\$7,930,203</b>	<b>\$6,704,537</b>	<b>\$6,378,680</b>
<b>Total, Article III – Agencies of Education</b>	<b>\$31,163,710,985</b>	<b>\$29,476,260,534</b>	<b>\$31,755,906,067</b>	<b>\$32,277,949,406</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B2 (CONTINUED)**  
**GENERAL REVENUE FUNDS – JUDICIARY**

<b>ARTICLE IV – JUDICIARY</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Supreme Court of Texas	\$19,277,198	\$20,447,830	\$21,112,514	\$21,112,514
Court of Criminal Appeals	\$6,827,238	\$7,177,278	\$7,029,944	\$7,044,079
First Court of Appeals District, Houston	\$4,385,630	\$4,502,198	\$4,450,483	\$4,502,231
Second Court of Appeals District, Fort Worth	\$3,437,791	\$3,571,176	\$3,505,562	\$3,505,562
Third Court of Appeals District, Austin	\$2,924,002	\$2,961,574	\$2,942,788	\$2,942,788
Fourth Court of Appeals District, San Antonio	\$3,288,698	\$3,741,588	\$3,488,813	\$3,488,814
Fifth Court of Appeals District, Dallas	\$5,983,004	\$6,415,511	\$6,187,469	\$6,187,470
Sixth Court of Appeals District, Texarkana	\$1,631,232	\$1,649,232	\$1,640,232	\$1,640,232
Seventh Court of Appeals District, Amarillo	\$1,919,655	\$2,150,370	\$2,048,690	\$2,048,691
Eighth Court of Appeals District, El Paso	\$1,464,214	\$1,707,066	\$1,592,769	\$1,592,768
Ninth Court of Appeals District, Beaumont	\$2,082,635	\$2,082,635	\$2,082,635	\$2,082,635
Tenth Court of Appeals District, Waco	\$1,488,424	\$1,872,023	\$1,680,223	\$1,680,224
Eleventh Court of Appeals District, Eastland	\$1,592,835	\$1,647,553	\$1,625,379	\$1,625,379
Twelfth Court of Appeals District, Tyler	\$1,603,137	\$1,712,163	\$1,658,102	\$1,658,102
Thirteenth Court of Appeals District, Corpus Christi–Edinburg	\$2,902,919	\$3,042,780	\$2,982,164	\$2,982,165
Fourteenth Court of Appeals District, Houston	\$4,508,439	\$4,508,440	\$4,522,967	\$4,574,818
Office of Court Administration, Texas Judicial Council	\$18,992,520	\$32,204,631	\$54,651,030	\$21,017,041
Office of Capital and Forensic Writs	\$0	\$0	\$0	\$0
Office of the State Prosecuting Attorney	\$415,042	\$461,588	\$448,530	\$448,710
State Law Library	\$1,060,492	\$1,052,963	\$1,092,374	\$1,079,479
State Commission on Judicial Conduct	\$1,024,657	\$1,359,251	\$1,221,954	\$1,221,954
Judiciary Section, Comptroller's Department	\$113,036,215	\$110,118,676	\$116,875,759	\$116,864,873
<b>Subtotal, Judiciary</b>	<b>\$199,845,977</b>	<b>\$214,386,526</b>	<b>\$242,840,381</b>	<b>\$209,300,529</b>
Retirement and Group Insurance	\$58,623,773	\$58,538,605	\$58,957,667	\$59,391,764
Social Security and Benefit Replacement Pay	\$11,195,345	\$11,229,840	\$11,268,202	\$11,309,815
<b>Subtotal, Employee Benefits</b>	<b>\$69,819,118</b>	<b>\$69,768,445</b>	<b>\$70,225,869</b>	<b>\$70,701,579</b>
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total, Article IV – Judiciary</b>	<b>\$269,665,095</b>	<b>\$284,154,971</b>	<b>\$313,066,250</b>	<b>\$280,002,108</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B2 (CONTINUED)**  
**GENERAL REVENUE FUNDS – PUBLIC SAFETY AND CRIMINAL JUSTICE**

<b>ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Alcoholic Beverage Commission	\$56,522,401	\$45,975,111	\$46,422,663	\$50,474,627
Department of Criminal Justice	\$3,322,435,475	\$2,489,866,354	\$2,875,914,969	\$3,340,552,048
Commission on Fire Protection	\$1,875,768	\$1,707,208	\$1,791,488	\$1,791,488
Commission on Jail Standards	\$1,438,994	\$1,438,994	\$1,653,779	\$1,438,994
Juvenile Justice Department	\$304,054,365	\$253,098,342	\$288,269,953	\$297,046,186
Commission on Law Enforcement	\$137,264	\$4,744,665	\$2,391,278	\$1,762,558
Texas Military Department	\$27,086,210	\$51,238,374	\$415,708,819	\$25,862,305
Department of Public Safety	\$1,079,962,605	\$934,330,381	\$1,233,523,570	\$1,079,915,899
<b>Subtotal, Public Safety and Criminal Justice</b>	<b>\$4,793,513,082</b>	<b>\$3,782,399,429</b>	<b>\$4,865,676,519</b>	<b>\$4,798,844,105</b>
Retirement and Group Insurance	\$913,542,309	\$919,293,293	\$842,540,113	\$964,867,846
Social Security and Benefit Replacement Pay	\$193,660,535	\$192,459,180	\$166,060,098	\$200,916,769
<b>Subtotal, Employee Benefits</b>	<b>\$1,107,202,844</b>	<b>\$1,111,752,473</b>	<b>\$1,008,600,211</b>	<b>\$1,165,784,615</b>
Bond Debt Service Payments	\$70,381,186	\$67,593,280	\$66,452,459	\$64,136,974
Lease Payments	\$54,788	\$37,668	\$21,942	\$0
<b>Subtotal, Debt Service</b>	<b>\$70,435,974</b>	<b>\$67,630,948</b>	<b>\$66,474,401</b>	<b>\$64,136,974</b>
<b>Total, Article V – Public Safety and Criminal Justice</b>	<b>\$5,971,151,900</b>	<b>\$4,961,782,850</b>	<b>\$5,940,751,131</b>	<b>\$6,028,765,694</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B2 (CONTINUED)**  
**GENERAL REVENUE FUNDS – NATURAL RESOURCES**

<b>ARTICLE VI – NATURAL RESOURCES</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Agriculture	\$51,836,014	\$50,242,011	\$51,763,454	\$50,736,829
Animal Health Commission	\$12,311,762	\$15,618,985	\$13,692,511	\$13,522,684
Commission on Environmental Quality	\$25,294,607	\$22,032,084	\$20,811,206	\$15,752,636
General Land Office and Veterans' Land Board	\$9,530,252	\$17,597,671	\$212,374,969	\$12,063,954
Low-level Radioactive Waste Disposal Compact Commission	\$0	\$0	\$0	\$0
Parks and Wildlife Department	\$152,590,914	\$139,348,885	\$200,303,550	\$185,001,281
Railroad Commission	\$51,204,673	\$61,155,973	\$77,191,443	\$67,775,619
Soil and Water Conservation Board	\$20,703,977	\$20,703,974	\$21,749,602	\$21,749,601
Water Development Board	\$70,503,768	\$61,561,731	\$117,137,361	\$56,904,057
<b>Subtotal, Natural Resources</b>	<b>\$393,975,967</b>	<b>\$388,261,314</b>	<b>\$715,024,096</b>	<b>\$423,506,661</b>
Retirement and Group Insurance	\$60,787,546	\$61,179,416	\$63,677,171	\$64,386,142
Social Security and Benefit Replacement Pay	\$7,788,000	\$7,936,631	\$8,549,043	\$8,614,206
<b>Subtotal, Employee Benefits</b>	<b>\$68,575,546</b>	<b>\$69,116,047</b>	<b>\$72,226,214</b>	<b>\$73,000,348</b>
Bond Debt Service Payments	\$13,277,713	\$12,343,223	\$12,135,354	\$11,536,713
Lease Payments	\$1,919,936	\$1,320,023	\$739,527	\$0
<b>Subtotal, Debt Service</b>	<b>\$15,197,649</b>	<b>\$13,663,246</b>	<b>\$12,874,881</b>	<b>\$11,536,713</b>
<b>Total, Article VI – Natural Resources</b>	<b>\$477,749,162</b>	<b>\$471,040,607</b>	<b>\$800,125,191</b>	<b>\$508,043,722</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B2 (CONTINUED)**  
**GENERAL REVENUE FUNDS – BUSINESS AND ECONOMIC DEVELOPMENT**

<b>ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Housing and Community Affairs	\$13,473,198	\$12,493,598	\$12,946,517	\$13,020,279
Texas Lottery Commission	\$6,340,689	\$2,549,315	\$2,419,590	\$2,419,591
Department of Motor Vehicles	\$17,801,327	\$16,445,390	\$14,979,605	\$14,979,605
Department of Transportation	\$3,089,449	\$15,508,277	\$1,208,059	\$1,208,059
Texas Workforce Commission	\$195,299,533	\$195,107,382	\$189,497,222	\$189,479,184
Reimbursements to the Unemployment Compensation Benefit Account	\$0	\$0	\$0	\$0
<b>Subtotal, Business and Economic Development</b>	<b>\$236,004,196</b>	<b>\$242,103,962</b>	<b>\$221,050,993</b>	<b>\$221,106,718</b>
Retirement and Group Insurance	\$6,354,256	\$10,953,706	\$11,313,732	\$11,687,672
Social Security and Benefit Replacement Pay	\$1,522,304	\$2,610,565	\$2,614,006	\$2,619,117
<b>Subtotal, Employee Benefits</b>	<b>\$7,876,560</b>	<b>\$13,564,271</b>	<b>\$13,927,738</b>	<b>\$14,306,789</b>
Bond Debt Service Payments	\$11,135,370	\$10,200,237	\$10,307,411	\$9,951,967
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$11,135,370</b>	<b>\$10,200,237</b>	<b>\$10,307,411</b>	<b>\$9,951,967</b>
<b>Total, Article VII – Business and Economic Development</b>	<b>\$255,016,126</b>	<b>\$265,868,470</b>	<b>\$245,286,142</b>	<b>\$245,365,474</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B2 (CONTINUED)**  
**GENERAL REVENUE FUNDS – REGULATORY**

<b>ARTICLE VIII – REGULATORY</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
State Office of Administrative Hearings	\$6,317,759	\$7,485,064	\$6,776,412	\$6,776,411
Behavioral Health Executive Council	\$635,008	\$3,991,917	\$4,029,405	\$3,891,174
Board of Chiropractic Examiners	\$761,891	\$841,483	\$906,278	\$866,278
Texas State Board of Dental Examiners	\$4,080,807	\$4,239,003	\$4,403,690	\$4,289,574
Funeral Service Commission	\$702,540	\$771,267	\$827,151	\$788,056
Board of Professional Geoscientists	\$539,965	\$595,637	\$650,749	\$598,655
Health Professions Council	\$0	\$42,630	\$0	\$0
Office of Injured Employee Counsel	\$0	\$0	\$0	\$0
Department of Insurance	\$40,202,250	\$41,986,736	\$229,806	\$229,806
Office of Public Insurance Counsel	\$755,008	\$808,420	\$808,420	\$808,420
Department of Licensing and Regulation	\$36,310,752	\$38,571,246	\$36,360,014	\$36,458,025
Texas Medical Board	\$10,677,774	\$10,933,004	\$14,475,960	\$11,163,484
Texas Board of Nursing	\$9,120,433	\$9,081,753	\$9,723,074	\$9,525,940
Optometry Board	\$457,075	\$436,496	\$511,402	\$472,686
Board of Pharmacy	\$8,656,397	\$9,506,726	\$9,144,817	\$9,121,099
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$1,283,433	\$1,286,397	\$1,342,918	\$1,303,164
Board of Plumbing Examiners	\$2,779,982	\$2,793,302	\$2,927,084	\$2,916,684
Racing Commission	\$0	\$48,386	\$0	\$0
Securities Board	\$7,196,220	\$7,566,891	\$7,653,507	\$7,653,508
Public Utility Commission of Texas	\$12,962,153	\$13,298,143	\$18,253,722	\$17,143,110
Office of Public Utility Counsel	\$1,558,673	\$1,558,673	\$2,021,909	\$2,021,908
Board of Veterinary Medical Examiners	\$1,311,904	\$1,329,263	\$1,467,964	\$1,404,264
<b>Subtotal, Regulatory</b>	<b>\$146,310,024</b>	<b>\$157,172,437</b>	<b>\$122,514,282</b>	<b>\$117,432,246</b>
Retirement and Group Insurance	\$25,971,420	\$26,240,166	\$26,542,678	\$26,829,847
Social Security and Benefit Replacement Pay	\$6,884,735	\$6,904,409	\$6,938,006	\$6,962,585
<b>Subtotal, Employee Benefits</b>	<b>\$32,856,155</b>	<b>\$33,144,575</b>	<b>\$33,480,684</b>	<b>\$33,792,432</b>
Lease Payments	\$8,997	\$6,185	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$8,997</b>	<b>\$6,185</b>	<b>\$0</b>	<b>\$0</b>
<b>Total, Article VIII – Regulatory</b>	<b>\$179,175,176</b>	<b>\$190,323,197</b>	<b>\$155,994,966</b>	<b>\$151,224,678</b>

## NOTES:

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- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B2 (CONTINUED)**  
**GENERAL REVENUE FUNDS – LEGISLATURE**

<b>ARTICLE X – LEGISLATURE</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Senate	\$33,757,897	\$37,955,882	\$34,422,614	\$37,291,165
House of Representatives	\$35,749,647	\$55,949,098	\$43,098,410	\$48,600,335
Legislative Budget Board	\$12,056,367	\$14,301,630	\$13,178,999	\$13,178,998
Legislative Council	\$40,104,590	\$43,657,667	\$40,205,883	\$43,556,374
Commission on Uniform State Laws	\$125,416	\$162,500	\$173,958	\$173,958
Sunset Advisory Commission	\$1,890,711	\$2,646,734	\$2,268,722	\$2,268,722
State Auditor's Office	\$16,828,845	\$17,225,960	\$17,027,403	\$17,027,402
Legislative Reference Library	\$1,441,217	\$2,025,433	\$1,733,325	\$1,733,325
<b>Subtotal, Legislature</b>	<b>\$141,954,690</b>	<b>\$173,924,904</b>	<b>\$152,109,314</b>	<b>\$163,830,279</b>
Retirement and Group Insurance	\$37,177,333	\$37,660,928	\$38,161,558	\$38,679,876
Social Security and Benefit Replacement Pay	\$8,665,019	\$8,688,147	\$8,714,864	\$8,744,591
<b>Subtotal, Employee Benefits</b>	<b>\$45,842,352</b>	<b>\$46,349,075</b>	<b>\$46,876,422</b>	<b>\$47,424,467</b>
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total, Article X – Legislature</b>	<b>\$187,797,042</b>	<b>\$220,273,979</b>	<b>\$198,985,736</b>	<b>\$211,254,746</b>

## NOTES:

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- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; House Bill 9, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

## APPENDIX B – SUMMARY OF STATE BUDGET BY FISCAL YEAR

### GENERAL REVENUE–DEDICATED FUNDS

FIGURE B3

#### GENERAL REVENUE–DEDICATED FUNDS – STATEWIDE SUMMARY

FUNCTION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
Article I – General Government	\$421,139,773	\$434,342,154	\$387,906,134	\$224,787,192
Article II – Health And Human Services	\$259,295,783	\$256,510,969	\$278,804,718	\$279,263,247
Article III– Agencies Of Education	\$1,428,584,606	\$1,356,621,742	\$1,403,338,034	\$1,402,735,845
<i>Public Education</i>	\$0	\$0	\$0	\$0
<i>Higher Education</i>	\$1,428,584,606	\$1,356,621,742	\$1,403,338,034	\$1,402,735,845
Article IV – Judiciary	\$88,057,958	\$103,095,625	\$102,976,124	\$91,736,579
Article V – Public Safety and Criminal Justice	\$29,467,396	\$26,955,243	\$25,211,179	\$25,272,970
Article VI – Natural Resources	\$621,344,464	\$708,796,795	\$610,485,447	\$557,347,369
Article VII – Business and Economic Development	\$294,366,169	\$328,447,984	\$306,001,554	\$293,528,761
Article VIII – Regulatory	\$119,782,902	\$129,114,320	\$166,609,756	\$163,899,891
Article IX – General Provisions	\$0	\$0	\$0	\$0
Article X – Legislature	\$0	\$0	\$0	\$0
<b>Total, All Functions</b>	<b>\$3,262,039,051</b>	<b>\$3,343,884,832</b>	<b>\$3,281,332,946</b>	<b>\$3,038,571,854</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.



**FIGURE B3 (CONTINUED)**  
**GENERAL REVENUE—DEDICATED FUNDS – GENERAL GOVERNMENT**

ARTICLE I – GENERAL GOVERNMENT	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
Commission on the Arts	\$250	\$250	\$45	\$46
Office of the Attorney General	\$81,716,977	\$81,325,584	\$96,281,711	\$95,753,227
Bond Review Board	\$0	\$0	\$0	\$0
Cancer Prevention and Research Institute of Texas	\$0	\$0	\$0	\$0
Comptroller of Public Accounts	\$0	\$0	\$0	\$0
Fiscal Programs within the Office of the Comptroller of Public Accounts	\$36,471,851	\$19,196,291	\$21,060,264	\$21,127,183
Commission on State Emergency Communications	\$72,060,108	\$72,283,473	\$67,257,495	\$57,297,928
Texas Emergency Services Retirement System	\$1,329,224	\$1,196,302	\$1,262,763	\$1,262,763
Employees Retirement System	\$0	\$52,020,000	\$0	\$0
Texas Ethics Commission	\$0	\$0	\$0	\$0
Facilities Commission	\$15,237,910	\$19,887,852	\$2,694,835	\$2,694,835
Public Finance Authority	\$0	\$0	\$0	\$0
Office of the Governor	\$0	\$0	\$0	\$0
Trusteed Programs within the Office of the Governor	\$198,562,218	\$179,128,853	\$184,212,750	\$32,296,083
Historical Commission	\$611,034	\$1,019,549	\$815,291	\$1,063,917
Department of Information Resources	\$0	\$0	\$0	\$0
Library and Archives Commission	\$0	\$0	\$0	\$0
Pension Review Board	\$0	\$0	\$0	\$0
Preservation Board	\$0	\$0	\$0	\$0
State Office of Risk Management	\$0	\$0	\$0	\$0
Secretary of State	\$790,834	\$335,000	\$124,109	\$100,000
Veterans Commission	\$0	\$0	\$0	\$0
<b>Subtotal, General Government</b>	<b>\$406,780,406</b>	<b>\$426,393,154</b>	<b>\$373,709,263</b>	<b>\$211,595,982</b>
Retirement and Group Insurance	\$2,864,596	\$2,894,638	\$2,925,693	\$2,957,797
Social Security and Benefit Replacement Pay	\$770,087	\$771,265	\$772,907	\$774,940
<b>Subtotal, Employee Benefits</b>	<b>\$3,634,683</b>	<b>\$3,665,903</b>	<b>\$3,698,600</b>	<b>\$3,732,737</b>
Bond Debt Service Payments	\$10,724,684	\$4,283,097	\$10,498,271	\$9,458,473
<b>Subtotal, Debt Service</b>	<b>\$10,724,684</b>	<b>\$4,283,097</b>	<b>\$10,498,271</b>	<b>\$9,458,473</b>
<b>Total, Article I – General Government</b>	<b>\$421,139,773</b>	<b>\$434,342,154</b>	<b>\$387,906,134</b>	<b>\$224,787,192</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B3 (CONTINUED)**  
**GENERAL REVENUE–DEDICATED FUNDS – HEALTH AND HUMAN SERVICES**

<b>ARTICLE II – HEALTH AND HUMAN SERVICES</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Family and Protective Services	\$5,685,702	\$5,685,701	\$4,285,000	\$4,285,000
Department of State Health Services	\$156,543,789	\$153,224,388	\$167,798,920	\$168,142,194
Health and Human Services Commission	\$86,395,020	\$86,824,553	\$95,975,888	\$95,975,888
<b>Subtotal, Health and Human Services</b>	<b>\$248,624,511</b>	<b>\$245,734,642</b>	<b>\$268,059,808</b>	<b>\$268,403,082</b>
Retirement and Group Insurance	\$8,112,445	\$8,212,516	\$8,205,843	\$8,313,936
Social Security and Benefit Replacement Pay	\$2,558,827	\$2,563,811	\$2,539,067	\$2,546,229
<b>Subtotal, Employee Benefits</b>	<b>\$10,671,272</b>	<b>\$10,776,327</b>	<b>\$10,744,910</b>	<b>\$10,860,165</b>
<b>Total, Article II – Health and Human Services</b>	<b>\$259,295,783</b>	<b>\$256,510,969</b>	<b>\$278,804,718</b>	<b>\$279,263,247</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B3 (CONTINUED)**  
**GENERAL REVENUE–DEDICATED FUNDS – AGENCIES OF EDUCATION**

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
<b>Public Education</b>				
Texas Education Agency	\$0	\$0	\$0	\$0
School for the Blind and Visually Impaired	\$0	\$0	\$0	\$0
School for the Deaf	\$0	\$0	\$0	\$0
<b>Subtotal, Public Education</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Public Higher Education</b>				
<b>Two-year Institutions</b>				
Public Community/Junior Colleges	\$0	\$0	\$0	\$0
<b>Lamar State Colleges</b>				
Lamar Institute of Technology	\$3,420,630	\$3,813,753	\$3,983,478	\$3,983,840
Lamar State College – Orange	\$1,519,222	\$1,763,884	\$2,225,063	\$2,225,265
Lamar State College – Port Arthur	\$1,367,590	\$1,693,041	\$2,277,558	\$2,277,509
<b>Subtotal, Lamar State Colleges</b>	<b>\$6,307,442</b>	<b>\$7,270,678</b>	<b>\$8,486,099</b>	<b>\$8,486,614</b>
<b>Texas State Technical Colleges</b>				
Texas State Technical College System Administration	\$254,553	\$226,526	\$17,372	\$17,372
Texas State Technical College – Harlingen	\$923,471	\$860,704	\$2,147,075	\$2,211,487
Texas State Technical College – West Texas	\$526,415	\$521,042	\$727,276	\$749,095
Texas State Technical College – Marshall	\$195,355	\$210,489	\$329,023	\$338,893
Texas State Technical College – Waco	\$1,274,004	\$2,779,398	\$2,428,213	\$2,501,061
Texas State Technical College – Fort Bend	\$768,701	\$244,698	\$260,633	\$268,453
Texas State Technical College – North Texas	\$113,698	\$102,169	\$148,993	\$153,463
<b>Subtotal, Texas State Technical Colleges</b>	<b>\$4,056,197</b>	<b>\$4,945,026</b>	<b>\$6,058,585</b>	<b>\$6,239,824</b>
<b>Subtotal, Two-year Institutions</b>	<b>\$10,363,639</b>	<b>\$12,215,704</b>	<b>\$14,544,684</b>	<b>\$14,726,438</b>
<b>General Academic Institutions</b>				
University of Texas System Administration	\$0	\$0	\$0	\$0
University of Texas at Arlington	\$70,175,232	\$67,361,581	\$67,876,672	\$67,884,856
University of Texas at Austin	\$119,356,018	\$109,017,403	\$117,072,129	\$117,104,047
University of Texas at Dallas	\$69,657,753	\$57,989,556	\$66,550,288	\$66,570,997
University of Texas at El Paso	\$32,383,985	\$31,550,334	\$31,916,060	\$31,920,738
University of Texas Rio Grande Valley	\$42,223,544	\$34,145,200	\$43,544,398	\$43,546,413
University of Texas of the Permian Basin	\$6,524,811	\$6,649,118	\$6,840,132	\$6,840,666
University of Texas at San Antonio	\$47,061,488	\$44,588,470	\$45,351,438	\$45,355,092
University of Texas at Tyler	\$11,287,629	\$11,628,276	\$11,475,323	\$11,476,958
Texas A&M University System Administrative and General Offices	\$0	\$0	\$0	\$0
Texas A&M University	\$148,617,557	\$135,245,665	\$136,151,752	\$136,179,964
Texas A&M University at Galveston	\$3,317,139	\$3,122,144	\$2,988,188	\$2,988,657
Prairie View A&M University	\$23,289,624	\$19,651,020	\$19,903,196	\$18,007,362
Tarleton State University	\$17,531,557	\$18,069,988	\$17,693,730	\$17,694,839
Texas A&M University – Central Texas	\$3,313,631	\$1,953,740	\$2,373,463	\$2,373,657
Texas A&M University – Corpus Christi	\$17,817,655	\$17,266,812	\$15,472,541	\$15,474,067
Texas A&M University – Kingsville	\$12,552,919	\$13,757,130	\$11,924,406	\$11,927,891
Texas A&M University – San Antonio	\$7,825,196	\$7,254,250	\$7,020,987	\$7,021,241
Texas A&M International University	\$10,635,376	\$10,292,497	\$10,252,488	\$10,252,983
West Texas A&M University	\$13,745,326	\$12,589,235	\$13,507,008	\$13,509,381

**FIGURE B3 (CONTINUED)**  
**GENERAL REVENUE–DEDICATED FUNDS – AGENCIES OF EDUCATION**

<b>ARTICLE III – AGENCIES OF EDUCATION</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Texas A&M University – Commerce	\$16,293,061	\$15,630,793	\$15,616,767	\$15,618,604
Texas A&M University – Texarkana	\$2,345,939	\$2,796,691	\$2,392,481	\$2,392,940
University of Houston System Administration	\$0	\$0	\$0	\$0
University of Houston	\$82,354,738	\$81,029,349	\$81,537,472	\$81,549,387
University of Houston – Clear Lake	\$13,705,737	\$12,936,973	\$12,991,291	\$12,993,304
University of Houston – Downtown	\$20,734,724	\$17,797,485	\$21,111,862	\$21,114,739
University of Houston – Victoria	\$5,978,193	\$5,396,219	\$6,744,214	\$6,744,877
Midwestern State University	\$0	\$0	\$0	\$0
University of North Texas System Administration	\$68,075,557	\$68,262,924	\$67,323,795	\$67,338,625
University of North Texas	\$7,215,779	\$7,425,038	\$7,452,594	\$7,452,744
University of North Texas at Dallas	\$17,269,063	\$17,032,766	\$14,739,036	\$14,740,483
Stephen F. Austin State University	\$37,498,223	\$32,903,716	\$17,558,644	\$17,561,521
Texas Southern University	\$0	\$0	\$0	\$0
Texas Tech University System Administration	\$60,853,176	\$60,266,182	\$61,024,182	\$61,034,925
Texas Tech University	\$11,677,519	\$11,212,487	\$10,936,133	\$10,936,512
Angelo State University	\$5,780,182	\$6,452,795	\$5,821,372	\$5,822,059
Texas Woman’s University	\$21,794,851	\$21,596,785	\$21,352,667	\$21,354,375
Texas State University System	\$0	\$0	\$0	\$0
Lamar University	\$18,074,242	\$17,255,606	\$18,281,344	\$18,282,779
Sam Houston State University	\$34,953,795	\$31,376,019	\$34,804,815	\$31,725,002
Texas State University	\$50,787,112	\$45,334,547	\$46,392,245	\$46,393,508
Sul Ross State University	\$1,901,350	\$1,726,631	\$1,695,762	\$1,695,802
Sul Ross State University Rio Grande College	\$781,500	\$679,655	\$878,375	\$878,390
<b>Subtotal, General Academic Institutions</b>	<b>\$1,135,391,181</b>	<b>\$1,059,245,080</b>	<b>\$1,076,569,250</b>	<b>\$1,071,760,385</b>
<b>Health-related Institutions</b>				
University of Texas Southwestern Medical Center	\$6,993,547	\$6,873,347	\$6,993,547	\$6,993,547
University of Texas Medical Branch at Galveston	\$12,099,169	\$12,075,791	\$12,099,168	\$12,099,168
University of Texas Health Science Center at Houston	\$26,491,181	\$26,530,938	\$26,491,181	\$26,491,181
University of Texas Health Science Center at San Antonio	\$12,968,625	\$12,518,242	\$12,968,625	\$12,968,625
University of Texas Rio Grande Valley School of Medicine	\$1,211,648	\$1,056,133	\$1,211,648	\$1,211,648
University of Texas M.D. Anderson Cancer Center	\$923,734	\$929,807	\$923,734	\$923,734
University of Texas Health Science Center at Tyler	\$491,813	\$291,996	\$491,813	\$491,813
Texas A&M University System Health Science Center	\$19,263,243	\$19,601,598	\$16,332,190	\$16,332,190
University of North Texas Health Science Center at Fort Worth	\$10,162,242	\$10,725,626	\$10,138,871	\$10,138,871
Texas Tech University Health Sciences Center	\$16,490,002	\$15,290,347	\$16,482,104	\$16,482,104
Texas Tech University Health Sciences Center at El Paso	\$3,102,537	\$3,326,121	\$3,102,537	\$3,102,537
University of Houston College of Medicine	\$0	\$0	\$263,670	\$263,670
<b>Subtotal, Health-related Institutions</b>	<b>\$110,197,741</b>	<b>\$109,219,946</b>	<b>\$107,499,088</b>	<b>\$107,499,088</b>

**FIGURE B3 (CONTINUED)**  
**GENERAL REVENUE—DEDICATED FUNDS – AGENCIES OF EDUCATION**

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
<b>Texas A&amp;M University Services</b>				
Texas A&M AgriLife Research	\$432,926	\$432,927	\$455,712	\$455,712
Texas A&M AgriLife Extension Service	\$0	\$0	\$0	\$0
Texas A&M Engineering Experiment Station	\$421,384	\$421,383	\$421,384	\$421,383
Texas A&M Transportation Institute	\$0	\$0	\$0	\$0
Texas A&M Engineering Extension Service	\$0	\$0	\$0	\$0
Texas A&M Forest Service	\$24,923,846	\$26,498,334	\$46,252,737	\$46,252,738
Texas A&M Veterinary Medical Diagnostic Laboratory	\$0	\$0	\$0	\$0
Texas Division of Emergency Management	\$0	\$0	\$0	\$0
<b>Subtotal, Texas A&amp;M University Services</b>	<b>\$25,778,156</b>	<b>\$27,352,644</b>	<b>\$47,129,833</b>	<b>\$47,129,833</b>
<b>Other Higher Education</b>				
Higher Education Coordinating Board	\$16,471,078	\$13,538,715	\$15,667,492	\$15,667,492
Higher Education Fund	\$0	\$0	\$0	\$0
Available University Fund	\$0	\$0	\$0	\$0
Available National Research University Fund	\$0	\$0	\$0	\$0
Support for Military and Veterans Exemptions	\$0	\$0	\$0	\$0
<b>Subtotal, Other Higher Education</b>	<b>\$16,471,078</b>	<b>\$13,538,715</b>	<b>\$15,667,492</b>	<b>\$15,667,492</b>
<b>Subtotal, Public Higher Education</b>	<b>\$1,298,201,795</b>	<b>\$1,221,572,089</b>	<b>\$1,261,410,347</b>	<b>\$1,256,783,236</b>
<b>Employee Benefits</b>				
Teacher Retirement System	\$23,714,800	\$25,042,829	\$25,794,114	\$26,567,937
Optional Retirement Program	\$51,377,215	\$53,057,304	\$54,792,334	\$56,584,101
Higher Education Employees Group Insurance Contributions	\$0	\$0	\$2,753,863	\$2,753,863
Retirement and Group Insurance	\$0	\$0	\$0	\$0
Social Security and Benefit Replacement Pay	\$55,290,796	\$56,949,520	\$58,587,376	\$60,046,708
<b>Subtotal, Employee Benefits</b>	<b>\$130,382,811</b>	<b>\$135,049,653</b>	<b>\$141,927,687</b>	<b>\$145,952,609</b>
<b>Total, Article III – Agencies of Education</b>	<b>\$1,428,584,606</b>	<b>\$1,356,621,742</b>	<b>\$1,403,338,034</b>	<b>\$1,402,735,845</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B3 (CONTINUED)**  
**GENERAL REVENUE–DEDICATED FUNDS – JUDICIARY**

<b>ARTICLE IV – JUDICIARY</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Supreme Court of Texas	\$4,649,964	\$5,350,036	\$10,000,000	\$0
Court of Criminal Appeals	\$13,256,274	\$12,119,382	\$15,887,828	\$15,887,828
First Court of Appeals District, Houston	\$0	\$0	\$0	\$0
Second Court of Appeals District, Fort Worth	\$0	\$0	\$0	\$0
Third Court of Appeals District, Austin	\$0	\$0	\$0	\$0
Fourth Court of Appeals District, San Antonio	\$0	\$0	\$0	\$0
Fifth Court of Appeals District, Dallas	\$0	\$0	\$0	\$0
Sixth Court of Appeals District, Texarkana	\$0	\$0	\$0	\$0
Seventh Court of Appeals District, Amarillo	\$0	\$0	\$0	\$0
Eighth Court of Appeals District, El Paso	\$0	\$0	\$0	\$0
Ninth Court of Appeals District, Beaumont	\$0	\$0	\$0	\$0
Tenth Court of Appeals District, Waco	\$0	\$0	\$0	\$0
Eleventh Court of Appeals District, Eastland	\$0	\$0	\$0	\$0
Twelfth Court of Appeals District, Tyler	\$0	\$0	\$0	\$0
Thirteenth Court of Appeals District, Corpus Christi–Edinburg	\$0	\$0	\$0	\$0
Fourteenth Court of Appeals District, Houston	\$0	\$0	\$0	\$0
Office of Court Administration, Texas Judicial Council	\$67,841,432	\$82,910,864	\$74,085,639	\$72,842,139
Office of Capital and Forensic Writs	\$1,561,889	\$1,963,267	\$2,150,710	\$2,150,711
Office of the State Prosecuting Attorney	\$0	\$0	\$0	\$0
State Law Library	\$0	\$0	\$0	\$0
State Commission on Judicial Conduct	\$0	\$0	\$0	\$0
Judiciary Section, Comptroller’s Department	\$0	\$0	\$0	\$0
<b>Subtotal, Judiciary</b>	<b>\$87,309,559</b>	<b>\$102,343,549</b>	<b>\$102,124,177</b>	<b>\$90,880,678</b>
Retirement and Group Insurance	\$548,472	\$551,513	\$628,087	\$631,284
Social Security and Benefit Replacement Pay	\$199,927	\$200,563	\$223,860	\$224,617
<b>Subtotal, Employee Benefits</b>	<b>\$748,399</b>	<b>\$752,076</b>	<b>\$851,947</b>	<b>\$855,901</b>
<b>Total, Article IV – Judiciary</b>	<b>\$88,057,958</b>	<b>\$103,095,625</b>	<b>\$102,976,124</b>	<b>\$91,736,579</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B3 (CONTINUED)**  
**GENERAL REVENUE–DEDICATED FUNDS – PUBLIC SAFETY AND CRIMINAL JUSTICE**

<b>ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Alcoholic Beverage Commission	\$0	\$0	\$0	\$0
Department of Criminal Justice	\$4,047,554	\$118,589	\$73,575	\$73,574
Commission on Fire Protection	\$0	\$0	\$0	\$0
Commission on Jail Standards	\$100,000	\$0	\$0	\$0
Juvenile Justice Department	\$0	\$0	\$0	\$0
Commission on Law Enforcement	\$3,047,591	\$3,152,946	\$2,900,853	\$2,933,076
Texas Military Department	\$0	\$0	\$0	\$0
Department of Public Safety	\$14,948,998	\$16,882,847	\$15,398,348	\$15,398,346
<b>Subtotal, Public Safety and Criminal Justice</b>	<b>\$22,144,143</b>	<b>\$20,154,382</b>	<b>\$18,372,776</b>	<b>\$18,404,996</b>
Retirement and Group Insurance	\$6,861,309	\$6,337,141	\$6,370,895	\$6,398,495
Social Security and Benefit Replacement Pay	\$461,944	\$463,720	\$467,508	\$469,479
<b>Subtotal, Employee Benefits</b>	<b>\$7,323,253</b>	<b>\$6,800,861</b>	<b>\$6,838,403</b>	<b>\$6,867,974</b>
<b>Total, Article V – Public Safety and Criminal Justice</b>	<b>\$29,467,396</b>	<b>\$26,955,243</b>	<b>\$25,211,179</b>	<b>\$25,272,970</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B3 (CONTINUED)**  
**GENERAL REVENUE–DEDICATED FUNDS – NATURAL RESOURCES**

<b>ARTICLE VI – NATURAL RESOURCES</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Agriculture	\$1,583,600	\$780,000	\$2,040,138	\$2,040,138
Animal Health Commission	\$0	\$0	\$0	\$0
Commission on Environmental Quality	\$280,951,441	\$339,729,283	\$265,324,835	\$248,773,403
General Land Office and Veterans' Land Board	\$13,413,793	\$15,334,002	\$15,012,004	\$15,006,197
Low-level Radioactive Waste Disposal Compact Commission	\$263,664	\$603,840	\$443,227	\$443,227
Parks and Wildlife Department	\$152,051,621	\$163,315,426	\$164,168,514	\$124,285,170
Railroad Commission	\$73,819,211	\$88,388,062	\$59,021,334	\$59,989,019
Soil and Water Conservation Board	\$0	\$0	\$0	\$0
Water Development Board	\$0	\$0	\$0	\$0
<b>Subtotal, Natural Resources</b>	<b>\$522,083,330</b>	<b>\$608,150,613</b>	<b>\$506,010,052</b>	<b>\$450,537,154</b>
Retirement and Group Insurance	\$77,054,213	\$78,384,140	\$81,614,631	\$83,696,409
Social Security and Benefit Replacement Pay	\$22,206,921	\$22,262,042	\$22,860,764	\$23,113,806
<b>Subtotal, Employee Benefits</b>	<b>\$99,261,134</b>	<b>\$100,646,182</b>	<b>\$104,475,395</b>	<b>\$106,810,215</b>
<b>Total, Article VI – Natural Resources</b>	<b>\$621,344,464</b>	<b>\$708,796,795</b>	<b>\$610,485,447</b>	<b>\$557,347,369</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.



**FIGURE B3 (CONTINUED)**  
**GENERAL REVENUE–DEDICATED FUNDS – BUSINESS AND ECONOMIC DEVELOPMENT**

<b>ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Housing and Community Affairs	\$0	\$0	\$0	\$0
Texas Lottery Commission	\$258,396,172	\$289,502,707	\$263,886,628	\$256,419,808
Department of Motor Vehicles	\$0	\$0	\$0	\$0
Department of Transportation	\$0	\$0	\$730,218	\$730,218
Texas Workforce Commission	\$7,036,196	\$6,245,484	\$5,977,369	\$5,762,950
Reimbursements to the Unemployment Compensation Benefit Account	\$6,960,452	\$9,565,575	\$12,075,262	\$7,077,343
<b>Subtotal, Business and Economic Development</b>	<b>\$272,392,820</b>	<b>\$305,313,766</b>	<b>\$282,669,477</b>	<b>\$269,990,319</b>
Retirement and Group Insurance	\$17,176,324	\$18,093,616	\$18,278,971	\$18,470,586
Social Security and Benefit Replacement Pay	\$4,797,025	\$5,040,602	\$5,053,106	\$5,067,856
<b>Subtotal, Employee Benefits</b>	<b>\$21,973,349</b>	<b>\$23,134,218</b>	<b>\$23,332,077</b>	<b>\$23,538,442</b>
<b>Total, Article VII – Business and Economic Development</b>	<b>\$294,366,169</b>	<b>\$328,447,984</b>	<b>\$306,001,554</b>	<b>\$293,528,761</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B3 (CONTINUED)  
GENERAL REVENUE–DEDICATED FUNDS – REGULATORY**

<b>ARTICLE VIII – REGULATORY</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
State Office of Administrative Hearings	\$0	\$0	\$0	\$0
Behavioral Health Executive Council	\$0	\$0	\$0	\$0
Board of Chiropractic Examiners	\$0	\$0	\$0	\$0
Texas State Board of Dental Examiners	\$0	\$0	\$0	\$0
Funeral Service Commission	\$0	\$0	\$0	\$0
Board of Professional Geoscientists	\$0	\$0	\$0	\$0
Health Professions Council	\$0	\$0	\$0	\$0
Office of Injured Employee Counsel	\$8,050,486	\$9,202,339	\$8,701,413	\$8,701,413
Department of Insurance	\$66,893,401	\$74,060,052	\$110,937,179	\$107,962,729
Office of Public Insurance Counsel	\$0	\$0	\$0	\$0
Department of Licensing and Regulation	\$0	\$725,241	\$725,241	\$653,589
Texas Medical Board	\$3,100,000	\$2,945,000	\$2,945,000	\$2,945,000
Texas Board of Nursing	\$0	\$0	\$0	\$0
Optometry Board	\$0	\$0	\$0	\$0
Board of Pharmacy	\$0	\$0	\$0	\$0
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$0	\$0	\$0	\$0
Board of Plumbing Examiners	\$0	\$0	\$0	\$0
Racing Commission	\$3,239,360	\$3,479,080	\$3,715,249	\$3,492,496
Securities Board	\$0	\$0	\$0	\$0
Public Utility Commission of Texas	\$3,115,398	\$2,803,858	\$3,115,398	\$3,115,398
Office of Public Utility Counsel	\$470,302	\$470,303	\$495,055	\$495,056
Board of Veterinary Medical Examiners	\$0	\$0	\$0	\$0
<b>Subtotal, Regulatory</b>	<b>\$84,868,947</b>	<b>\$93,685,873</b>	<b>\$130,634,535</b>	<b>\$127,365,681</b>
Retirement and Group Insurance	\$29,035,640	\$29,541,565	\$30,073,383	\$30,617,139
Social Security and Benefit Replacement Pay	\$5,878,315	\$5,886,882	\$5,901,838	\$5,917,071
<b>Subtotal, Employee Benefits</b>	<b>\$34,913,955</b>	<b>\$35,428,447</b>	<b>\$35,975,221</b>	<b>\$36,534,210</b>
<b>Total, Article VIII – Regulatory</b>	<b>\$119,782,902</b>	<b>\$129,114,320</b>	<b>\$166,609,756</b>	<b>\$163,899,891</b>

NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B3 (CONTINUED)**  
**GENERAL REVENUE—DEDICATED FUNDS – LEGISLATURE**

<b>ARTICLE X – LEGISLATURE</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Senate	\$0	\$0	\$0	\$0
House of Representatives	\$0	\$0	\$0	\$0
Legislative Budget Board	\$0	\$0	\$0	\$0
Legislative Council	\$0	\$0	\$0	\$0
Commission on Uniform State Laws	\$0	\$0	\$0	\$0
Sunset Advisory Commission	\$0	\$0	\$0	\$0
State Auditor's Office	\$0	\$0	\$0	\$0
Legislative Reference Library	\$0	\$0	\$0	\$0
<b>Subtotal, Legislature</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Retirement and Group Insurance	\$0	\$0	\$0	\$0
Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
<b>Subtotal, Employee Benefits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total, Article X – Legislature</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Second Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

## APPENDIX B – SUMMARY OF STATE BUDGET BY FISCAL YEAR

### FEDERAL FUNDS

#### FIGURE B4

#### FEDERAL FUNDS – STATEWIDE SUMMARY

FUNCTION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
Article I – General Government	\$685,702,982	\$922,329,816	\$648,188,994	\$595,555,677
Article II – Health and Human Services	\$28,044,401,214	\$34,030,018,493	\$25,526,443,733	\$25,272,249,222
Article III – Agencies of Education	\$8,398,096,034	\$8,127,866,642	\$7,147,218,883	\$5,826,152,805
<i>Public Education</i>	\$6,386,964,436	\$5,842,140,284	\$6,585,322,963	\$5,324,128,563
<i>Higher Education</i>	\$2,025,633,293	\$2,478,464,347	\$575,892,677	\$516,398,500
Article IV – Judiciary	\$2,080,774	\$2,276,665	\$2,255,162	\$2,255,162
Article V – Public Safety and Criminal Justice	\$592,239,740	\$1,851,243,712	\$1,037,440,133	\$290,145,020
Article VI – Natural Resources	\$2,904,310,255	\$4,013,279,200	\$3,001,762,880	\$1,858,184,051
Article VIII – Business and Economic Development	\$9,033,268,300	\$7,871,366,845	\$6,970,100,090	\$7,029,236,134
Article VIII – Regulatory	\$4,628,839	\$4,664,556	\$4,732,499	\$4,771,327
Article IX – General Provisions	\$0	\$0	\$0	\$0
Article X – Legislature	\$0	\$0	\$0	\$0
Article XII – American Rescue Plan Act of 2021	\$0	\$0	\$13,314,863,778	\$0
<b>Total, All Functions</b>	<b>\$49,664,728,138</b>	<b>\$56,823,045,929</b>	<b>\$57,653,006,152</b>	<b>\$40,878,549,398</b>

#### NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B4 (CONTINUED)**  
**FEDERAL FUNDS – GENERAL GOVERNMENT**

<b>ARTICLE I – GENERAL GOVERNMENT</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Commission on the Arts	\$1,696,000	\$1,087,800	\$1,087,800	\$1,087,800
Office of the Attorney General	\$201,653,737	\$274,162,816	\$192,665,366	\$193,402,667
Bond Review Board	\$0	\$0	\$0	\$0
Cancer Prevention and Research Institute of Texas	\$0	\$0	\$0	\$0
Comptroller of Public Accounts	\$0	\$0	\$0	\$0
Fiscal Programs within the Office of the Comptroller of Public Accounts	\$6,833,352	\$13,410,350	\$14,076,228	\$13,564,627
Commission on State Emergency Communications	\$1,013,046	\$5,948,217	\$3,965,478	\$0
Texas Emergency Services Retirement System	\$0	\$0	\$0	\$0
Employees Retirement System	\$0	\$171,360,000	\$0	\$0
Texas Ethics Commission	\$0	\$0	\$0	\$0
Facilities Commission	\$0	\$0	\$0	\$0
Public Finance Authority	\$0	\$0	\$0	\$0
Office of the Governor	\$0	\$0	\$0	\$0
Trusteed Programs within the Office of the Governor	\$343,241,936	\$343,143,090	\$326,563,338	\$312,460,215
Historical Commission	\$11,157,521	\$1,424,145	\$2,350,225	\$1,424,145
Department of Information Resources	\$218,081	\$403,438	\$404,438	\$404,438
Library and Archives Commission	\$12,061,117	\$12,287,943	\$11,189,712	\$11,189,550
Pension Review Board	\$0	\$0	\$0	\$0
Preservation Board	\$0	\$0	\$0	\$0
State Office of Risk Management	\$0	\$0	\$0	\$0
Secretary of State	\$59,727,913	\$43,939,125	\$40,300,000	\$6,421,272
Veterans Commission	\$12,476,192	\$14,505,663	\$14,767,433	\$14,767,433
<b>Subtotal, General Government</b>	<b>\$650,078,895</b>	<b>\$881,672,587</b>	<b>\$607,370,018</b>	<b>\$554,722,147</b>
Retirement and Group Insurance	\$28,916,003	\$33,073,886	\$33,242,553	\$33,290,647
Social Security and Benefit Replacement Pay	\$6,708,084	\$7,583,343	\$7,576,423	\$7,542,883
<b>Subtotal, Employee Benefits</b>	<b>\$35,624,087</b>	<b>\$40,657,229</b>	<b>\$40,818,976</b>	<b>\$40,833,530</b>
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total, Article I – General Government</b>	<b>\$685,702,982</b>	<b>\$922,329,816</b>	<b>\$648,188,994</b>	<b>\$595,555,677</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B4 (CONTINUED)**  
**FEDERAL FUNDS – HEALTH AND HUMAN SERVICES**

<b>ARTICLE II – HEALTH AND HUMAN SERVICES</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Family and Protective Services	\$1,053,734,339	\$1,114,610,552	\$992,811,509	\$958,355,102
Department of State Health Services	\$1,021,351,517	\$3,588,451,694	\$433,777,394	\$344,806,702
Health and Human Services Commission	\$25,621,454,063	\$28,975,407,837	\$23,724,871,964	\$23,611,633,735
<b>Subtotal, Health and Human Services</b>	<b>\$27,696,539,919</b>	<b>\$33,678,470,083</b>	<b>\$25,151,460,867</b>	<b>\$24,914,795,539</b>
Retirement and Group Insurance	\$280,438,402	\$283,953,284	\$302,612,470	\$289,950,069
Social Security and Benefit Replacement Pay	\$65,061,739	\$65,233,972	\$70,009,242	\$65,142,460
<b>Subtotal, Employee Benefits</b>	<b>\$345,500,141</b>	<b>\$349,187,256</b>	<b>\$372,621,712</b>	<b>\$355,092,529</b>
Bond Debt Service Payments	\$2,361,154	\$2,361,154	\$2,361,154	\$2,361,154
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$2,361,154</b>	<b>\$2,361,154</b>	<b>\$2,361,154</b>	<b>\$2,361,154</b>
<b>Total, Article II – Health and Human Services</b>	<b>\$28,044,401,214</b>	<b>\$34,030,018,493</b>	<b>\$25,526,443,733</b>	<b>\$25,272,249,222</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B4 (CONTINUED)**  
**FEDERAL FUNDS – AGENCIES OF EDUCATION**

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
<b>Public Education</b>				
Texas Education Agency	\$6,383,821,662	\$5,838,997,510	\$6,581,849,957	\$5,320,655,557
School for the Blind and Visually Impaired	\$2,016,520	\$2,016,520	\$2,186,500	\$2,186,500
School for the Deaf	\$1,126,254	\$1,126,254	\$1,286,506	\$1,286,506
<b>Subtotal, Public Education</b>	<b>\$6,386,964,436</b>	<b>\$5,842,140,284</b>	<b>\$6,585,322,963</b>	<b>\$5,324,128,563</b>
<b>Public Higher Education</b>				
<b>Two–Year Institutions</b>				
Public Community/Junior Colleges	\$0	\$0	\$0	\$0
<b>Lamar State Colleges</b>				
Lamar Institute of Technology	\$0	\$0	\$0	\$0
Lamar State College – Orange	\$0	\$0	\$0	\$0
Lamar State College – Port Arthur	\$0	\$0	\$0	\$0
<b>Subtotal, Lamar State Colleges</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Texas State Technical Colleges</b>				
Texas State Technical College System Administration	\$0	\$0	\$0	\$0
Texas State Technical College – Harlingen	\$0	\$0	\$0	\$0
Texas State Technical College – West Texas	\$0	\$0	\$0	\$0
Texas State Technical College – Marshall	\$0	\$0	\$0	\$0
Texas State Technical College – Waco	\$0	\$0	\$0	\$0
Texas State Technical College – Fort Bend	\$0	\$0	\$0	\$0
Texas State Technical College – North Texas	\$0	\$0	\$0	\$0
<b>Subtotal, Texas State Technical Colleges</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Subtotal, Two–Year Institutions</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>General Academic Institutions</b>				
University of Texas System Administration	\$0	\$0	\$0	\$0
University of Texas at Arlington	\$0	\$0	\$0	\$0
University of Texas at Austin	\$0	\$0	\$0	\$0
University of Texas at Dallas	\$0	\$0	\$0	\$0
University of Texas at El Paso	\$0	\$0	\$0	\$0
University of Texas Rio Grande Valley	\$0	\$0	\$0	\$0
University of Texas of the Permian Basin	\$0	\$0	\$0	\$0
University of Texas at San Antonio	\$0	\$0	\$0	\$0
University of Texas at Tyler	\$0	\$0	\$0	\$0
Texas A&M University System Administrative and General Offices	\$0	\$0	\$0	\$0
Texas A&M University	\$0	\$0	\$0	\$0
Texas A&M University at Galveston	\$0	\$0	\$0	\$0
Prairie View A&M University	\$0	\$0	\$0	\$0
Tarleton State University	\$0	\$0	\$0	\$0
Texas A&M University – Central Texas	\$0	\$0	\$0	\$0
Texas A&M University – Corpus Christi	\$0	\$0	\$0	\$0
Texas A&M University – Kingsville	\$0	\$0	\$0	\$0
Texas A&M University – San Antonio	\$0	\$0	\$0	\$0
Texas A&M International University	\$0	\$0	\$0	\$0
West Texas A&M University	\$0	\$0	\$0	\$0

**FIGURE B4 (CONTINUED)**  
**FEDERAL FUNDS – AGENCIES OF EDUCATION**

<b>ARTICLE III – AGENCIES OF EDUCATION</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Texas A&M University – Commerce	\$0	\$0	\$0	\$0
Texas A&M University – Texarkana	\$0	\$0	\$0	\$0
University of Houston System Administration	\$0	\$0	\$0	\$0
University of Houston	\$0	\$0	\$0	\$0
University of Houston – Clear Lake	\$0	\$0	\$0	\$0
University of Houston – Downtown	\$0	\$0	\$0	\$0
University of Houston – Victoria	\$0	\$0	\$0	\$0
Midwestern State University	\$0	\$0	\$0	\$0
University of North Texas System Administration	\$0	\$0	\$0	\$0
University of North Texas	\$0	\$0	\$0	\$0
University of North Texas at Dallas	\$0	\$0	\$0	\$0
Stephen F. Austin State University	\$0	\$0	\$0	\$0
Texas Southern University	\$0	\$0	\$0	\$0
Texas Tech University System Administration	\$0	\$0	\$0	\$0
Texas Tech University	\$0	\$0	\$0	\$0
Angelo State University	\$0	\$0	\$0	\$0
Texas Woman’s University	\$0	\$0	\$0	\$0
Texas State University System	\$0	\$0	\$0	\$0
Lamar University	\$0	\$0	\$0	\$0
Sam Houston State University	\$0	\$0	\$0	\$0
Texas State University	\$0	\$0	\$0	\$0
Sul Ross State University	\$0	\$0	\$0	\$0
Sul Ross State University Rio Grande College	\$0	\$0	\$0	\$0
<b>Subtotal, General Academic Institutions</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Health-related Institutions</b>				
University of Texas Southwestern Medical Center	\$0	\$0	\$0	\$0
University of Texas Medical Branch at Galveston	\$0	\$60,382,372	\$0	\$0
University of Texas Health Science Center at Houston	\$0	\$0	\$0	\$0
University of Texas Health Science Center at San Antonio	\$0	\$0	\$0	\$0
University of Texas Rio Grande Valley School of Medicine	\$0	\$0	\$0	\$0
University of Texas M.D. Anderson Cancer Center	\$0	\$99,617,628	\$0	\$0
University of Texas Health Science Center at Tyler	\$0	\$0	\$0	\$0
Texas A&M University System Health Science Center	\$0	\$0	\$0	\$0
University of North Texas Health Science Center at Fort Worth	\$0	\$0	\$0	\$0
Texas Tech University Health Sciences Center	\$0	\$0	\$0	\$0
Texas Tech University Health Sciences Center at El Paso	\$0	\$0	\$0	\$0
University of Houston College of Medicine	\$0	\$0	\$0	\$0
<b>Subtotal, Health-related Institutions</b>	<b>\$0</b>	<b>\$160,000,000</b>	<b>\$0</b>	<b>\$0</b>



**FIGURE B4 (CONTINUED)**  
**FEDERAL FUNDS – AGENCIES OF EDUCATION**

ARTICLE III – AGENCIES OF EDUCATION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
<b>Texas A&amp;M University Services</b>				
Texas A&M AgriLife Research	\$9,758,247	\$9,758,247	\$9,721,175	\$9,721,175
Texas A&M AgriLife Extension Service	\$14,072,397	\$14,072,397	\$14,072,397	\$14,072,397
Texas A&M Engineering Experiment Station	\$53,708,052	\$53,708,052	\$70,153,018	\$70,153,018
Texas A&M Transportation Institute	\$13,710,395	\$14,053,155	\$14,123,421	\$14,264,655
Texas A&M Engineering Extension Service	\$20,045,596	\$24,912,309	\$24,415,587	\$24,415,587
Texas A&M Forest Service	\$3,243,584	\$3,523,368	\$3,523,368	\$3,523,368
Texas A&M Veterinary Medical Diagnostic Laboratory	\$272,727	\$272,727	\$272,727	\$272,727
Texas Division of Emergency Management	\$1,855,637,137	\$1,779,992,384	\$371,374,416	\$310,783,693
<b>Subtotal, Texas A&amp;M University Services</b>	<b>\$1,970,448,135</b>	<b>\$1,900,292,639</b>	<b>\$507,656,109</b>	<b>\$447,206,620</b>
<b>Other Higher Education</b>				
Higher Education Coordinating Board	\$27,592,579	\$209,085,854	\$34,118,284	\$34,595,940
Higher Education Fund	\$0	\$0	\$0	\$0
Available University Fund	\$0	\$0	\$0	\$0
Available National Research University Fund	\$0	\$0	\$0	\$0
Support for Military and Veterans Exemptions	\$0	\$0	\$0	\$0
<b>Subtotal, Other Higher Education</b>	<b>\$27,592,579</b>	<b>\$209,085,854</b>	<b>\$34,118,284</b>	<b>\$34,595,940</b>
<b>Subtotal, Public Higher Education</b>	<b>\$1,998,040,714</b>	<b>\$2,269,378,493</b>	<b>\$541,774,393</b>	<b>\$481,802,560</b>
<b>Employee Benefits</b>				
Teacher Retirement System	\$0	\$0	\$0	\$0
Optional Retirement Program	\$0	\$0	\$0	\$0
Higher Education Employees Group Insurance Contributions	\$0	\$0	\$0	\$0
Retirement and Group Insurance	\$9,616,760	\$11,984,156	\$13,890,639	\$13,966,007
Social Security and Benefit Replacement Pay	\$3,474,124	\$4,363,709	\$6,230,888	\$6,255,675
<b>Subtotal, Employee Benefits</b>	<b>\$13,090,884</b>	<b>\$16,347,865</b>	<b>\$20,121,527</b>	<b>\$20,221,682</b>
<b>Debt Service</b>				
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total, Article III – Agencies of Education</b>	<b>\$8,398,096,034</b>	<b>\$8,127,866,642</b>	<b>\$7,147,218,883</b>	<b>\$5,826,152,805</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B4 (CONTINUED)**  
**FEDERAL FUNDS – JUDICIARY**

ARTICLE IV – JUDICIARY	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
Supreme Court of Texas	\$2,080,774	\$2,276,665	\$2,255,162	\$2,255,162
Court of Criminal Appeals	\$0	\$0	\$0	\$0
First Court of Appeals District, Houston	\$0	\$0	\$0	\$0
Second Court of Appeals District, Fort Worth	\$0	\$0	\$0	\$0
Third Court of Appeals District, Austin	\$0	\$0	\$0	\$0
Fourth Court of Appeals District, San Antonio	\$0	\$0	\$0	\$0
Fifth Court of Appeals District, Dallas	\$0	\$0	\$0	\$0
Sixth Court of Appeals District, Texarkana	\$0	\$0	\$0	\$0
Seventh Court of Appeals District, Amarillo	\$0	\$0	\$0	\$0
Eighth Court of Appeals District, El Paso	\$0	\$0	\$0	\$0
Ninth Court of Appeals District, Beaumont	\$0	\$0	\$0	\$0
Tenth Court of Appeals District, Waco	\$0	\$0	\$0	\$0
Eleventh Court of Appeals District, Eastland	\$0	\$0	\$0	\$0
Twelfth Court of Appeals District, Tyler	\$0	\$0	\$0	\$0
Thirteenth Court of Appeals District, Corpus Christi–Edinburg	\$0	\$0	\$0	\$0
Fourteenth Court of Appeals District, Houston	\$0	\$0	\$0	\$0
Office of Court Administration, Texas Judicial Council	\$0	\$0	\$0	\$0
Office of Capital and Forensic Writs	\$0	\$0	\$0	\$0
Office of the State Prosecuting Attorney	\$0	\$0	\$0	\$0
State Law Library	\$0	\$0	\$0	\$0
State Commission on Judicial Conduct	\$0	\$0	\$0	\$0
Judiciary Section, Comptroller’s Department	\$0	\$0	\$0	\$0
<b>Subtotal, Judiciary</b>	<b>\$2,080,774</b>	<b>\$2,276,665</b>	<b>\$2,255,162</b>	<b>\$2,255,162</b>
Retirement and Group Insurance	\$0	\$0	\$0	\$0
Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
<b>Subtotal, Employee Benefits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total, Article IV – Judiciary</b>	<b>\$2,080,774</b>	<b>\$2,276,665</b>	<b>\$2,255,162</b>	<b>\$2,255,162</b>

NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B4 (CONTINUED)**  
**FEDERAL FUNDS – PUBLIC SAFETY AND CRIMINAL JUSTICE**

<b>ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Alcoholic Beverage Commission	\$730,861	\$8,485,385	\$3,341,878	\$300,000
Department of Criminal Justice	\$30,444,450	\$1,175,318,358	\$484,185,343	\$9,001,634
Commission on Fire Protection	\$0	\$0	\$0	\$0
Commission on Jail Standards	\$0	\$0	\$0	\$0
Juvenile Justice Department	\$7,823,060	\$46,178,684	\$18,125,492	\$7,452,723
Commission on Law Enforcement	\$0	\$0	\$0	\$0
Texas Military Department	\$72,110,658	\$70,061,699	\$71,382,219	\$70,454,575
Department of Public Safety	\$473,544,026	\$543,531,026	\$307,816,363	\$195,347,433
<b>Subtotal, Public Safety and Criminal Justice</b>	<b>\$584,653,055</b>	<b>\$1,843,575,152</b>	<b>\$884,851,295</b>	<b>\$282,556,365</b>
Retirement and Group Insurance	\$6,067,562	\$6,141,776	\$116,971,928	\$6,090,365
Social Security and Benefit Replacement Pay	\$1,519,123	\$1,526,784	\$35,616,910	\$1,498,290
<b>Subtotal, Employee Benefits</b>	<b>\$7,586,685</b>	<b>\$7,668,560</b>	<b>\$152,588,838</b>	<b>\$7,588,655</b>
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total, Article V – Public Safety and Criminal Justice</b>	<b>\$592,239,740</b>	<b>\$1,851,243,712</b>	<b>\$1,037,440,133</b>	<b>\$290,145,020</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B4 (CONTINUED)**  
**FEDERAL FUNDS – NATURAL RESOURCES**

<b>ARTICLE VI – NATURAL RESOURCES</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Agriculture	\$742,197,926	\$1,200,347,053	\$641,101,301	\$641,199,561
Animal Health Commission	\$3,462,741	\$2,159,508	\$1,764,552	\$1,764,552
Commission on Environmental Quality	\$38,097,474	\$42,216,949	\$38,651,058	\$38,509,991
General Land Office and Veterans' Land Board	\$1,816,747,881	\$2,589,384,027	\$2,148,975,074	\$1,010,898,778
Low-level Radioactive Waste Disposal Compact Commission	\$0	\$0	\$0	\$0
Parks and Wildlife Department	\$209,893,768	\$78,044,097	\$70,102,432	\$64,488,438
Railroad Commission	\$6,632,000	\$6,872,000	\$6,860,000	\$6,860,000
Soil and Water Conservation Board	\$15,528,301	\$15,286,668	\$15,286,668	\$15,286,668
Water Development Board	\$42,550,577	\$47,652,930	\$47,652,930	\$47,652,930
<b>Subtotal, Natural Resources</b>	<b>\$2,875,110,668</b>	<b>\$3,981,963,232</b>	<b>\$2,970,394,015</b>	<b>\$1,826,660,918</b>
Retirement and Group Insurance	\$23,138,711	\$24,903,319	\$24,994,503	\$25,167,717
Social Security and Benefit Replacement Pay	\$6,060,876	\$6,412,649	\$6,374,362	\$6,355,416
<b>Subtotal, Employee Benefits</b>	<b>\$29,199,587</b>	<b>\$31,315,968</b>	<b>\$31,368,865</b>	<b>\$31,523,133</b>
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total, Article VI – Natural Resources</b>	<b>\$2,904,310,255</b>	<b>\$4,013,279,200</b>	<b>\$3,001,762,880</b>	<b>\$1,858,184,051</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B4 (CONTINUED)**  
**FEDERAL FUNDS – BUSINESS AND ECONOMIC DEVELOPMENT**

<b>ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Housing and Community Affairs	\$292,498,594	\$479,621,802	\$393,226,966	\$339,835,943
Texas Lottery Commission	\$0	\$0	\$0	\$0
Department of Motor Vehicles	\$924,825	\$743,750	\$743,750	\$743,750
Department of Transportation	\$6,595,038,520	\$5,644,466,790	\$4,846,848,799	\$4,992,495,883
Texas Workforce Commission	\$2,046,166,476	\$1,652,741,086	\$1,634,488,061	\$1,600,327,472
Reimbursements to the Unemployment Compensation Benefit Account	\$0	\$0	\$0	\$0
<b>Subtotal, Business and Economic Development</b>	<b>\$8,934,628,415</b>	<b>\$7,777,573,428</b>	<b>\$6,875,307,576</b>	<b>\$6,933,403,048</b>
Retirement and Group Insurance	\$81,667,549	\$77,877,129	\$78,838,929	\$79,834,745
Social Security and Benefit Replacement Pay	\$16,972,336	\$15,916,288	\$15,953,585	\$15,998,341
<b>Subtotal, Employee Benefits</b>	<b>\$98,639,885</b>	<b>\$93,793,417</b>	<b>\$94,792,514</b>	<b>\$95,833,086</b>
Bond Debt Service Payments	\$0	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total, Article VII – Business and Economic Development</b>	<b>\$9,033,268,300</b>	<b>\$7,871,366,845</b>	<b>\$6,970,100,090</b>	<b>\$7,029,236,134</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B4 (CONTINUED)**  
**FEDERAL FUNDS – REGULATORY**

<b>ARTICLE VIII – REGULATORY</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
State Office of Administrative Hearings	\$0	\$0	\$0	\$0
Behavioral Health Executive Council	\$0	\$0	\$0	\$0
Board of Chiropractic Examiners	\$0	\$0	\$0	\$0
Texas State Board of Dental Examiners	\$0	\$0	\$0	\$0
Funeral Service Commission	\$0	\$0	\$0	\$0
Board of Professional Geoscientists	\$0	\$0	\$0	\$0
Health Professions Council	\$0	\$0	\$0	\$0
Office of Injured Employee Counsel	\$0	\$0	\$0	\$0
Department of Insurance	\$2,227,593	\$2,227,593	\$2,255,793	\$2,255,793
Office of Public Insurance Counsel	\$0	\$0	\$0	\$0
Department of Licensing and Regulation	\$0	\$0	\$0	\$0
Texas Medical Board	\$0	\$0	\$0	\$0
Texas Board of Nursing	\$0	\$0	\$0	\$0
Optometry Board	\$0	\$0	\$0	\$0
Board of Pharmacy	\$0	\$0	\$0	\$0
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$0	\$0	\$0	\$0
Board of Plumbing Examiners	\$0	\$0	\$0	\$0
Racing Commission	\$0	\$0	\$0	\$0
Securities Board	\$0	\$0	\$0	\$0
Public Utility Commission of Texas	\$0	\$0	\$0	\$0
Office of Public Utility Counsel	\$0	\$0	\$0	\$0
Board of Veterinary Medical Examiners	\$0	\$0	\$0	\$0
<b>Subtotal, Regulatory</b>	<b>\$2,227,593</b>	<b>\$2,227,593</b>	<b>\$2,255,793</b>	<b>\$2,255,793</b>
Retirement and Group Insurance	\$1,979,069	\$2,014,164	\$2,052,348	\$2,090,075
Social Security and Benefit Replacement Pay	\$422,177	\$422,799	\$424,358	\$425,459
<b>Subtotal, Employee Benefits</b>	<b>\$2,401,246</b>	<b>\$2,436,963</b>	<b>\$2,476,706</b>	<b>\$2,515,534</b>
<b>Total, Article VIII – Regulatory</b>	<b>\$4,628,839</b>	<b>\$4,664,556</b>	<b>\$4,732,499</b>	<b>\$4,771,327</b>

NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B4 (CONTINUED)**  
**FEDERAL FUNDS – LEGISLATURE**

<b>ARTICLE X – LEGISLATURE</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Senate	\$0	\$0	\$0	\$0
House of Representatives	\$0	\$0	\$0	\$0
Legislative Budget Board	\$0	\$0	\$0	\$0
Legislative Council	\$0	\$0	\$0	\$0
Commission on Uniform State Laws	\$0	\$0	\$0	\$0
Sunset Advisory Commission	\$0	\$0	\$0	\$0
State Auditor's Office	\$0	\$0	\$0	\$0
Legislative Reference Library	\$0	\$0	\$0	\$0
<b>Subtotal, Legislature</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Retirement and Group Insurance	\$0	\$0	\$0	\$0
Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
<b>Subtotal, Employee Benefits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total, Article X – Legislature</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.

**FIGURE B4 (CONTINUED)  
FEDERAL FUNDS – AMERICAN RESCUE PLAN ACT (ARPA) OF 2021**

<b>ARTICLE XII – ARPA</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Office of the Attorney General	\$0	\$0	\$107,033,114	\$0
Fiscal Programs - Comptroller of Public Accounts	\$0	\$0	\$7,845,895,109	\$0
Commission on State Emergency Communications	\$0	\$0	\$150,000,000	\$0
Facilities Commission	\$0	\$0	\$40,000,000	\$0
Trusted Programs within the Office of the Governor	\$0	\$0	\$341,200,000	\$0
Historical Commission	\$0	\$0	\$20,000,000	\$0
Department of Information Resources	\$0	\$0	\$200,000,000	\$0
Preservation Board	\$0	\$0	\$25,000,000	\$0
Department of State Health Services	\$0	\$0	\$2,058,400,000	\$0
Health and Human Services Commission	\$0	\$0	\$731,114,250	\$0
Texas Education Agency	\$0	\$0	\$3,000,000	\$0
Teacher Retirement System	\$0	\$0	\$286,337,761	\$0
Higher Education Coordinating Board	\$0	\$0	\$474,082,887	\$0
University of Texas at Austin	\$0	\$0	\$3,235,000	\$0
Texas A&M University at Galveston	\$0	\$0	\$1,150,000	\$0
University of Houston	\$0	\$0	\$50,000,000	\$0
Texas Tech University	\$0	\$0	\$50,000,000	\$0
University of Texas Health Science Center at Houston	\$0	\$0	\$40,000,000	\$0
Texas Division of Emergency Management	\$0	\$0	\$300,000,000	\$0
Office of Court Administration, Texas Judicial Council	\$0	\$0	\$16,942,466	\$0
Office of Capital and Forensic Writs	\$0	\$0	\$200,000	\$0
Judiciary Section, Comptroller's Department	\$0	\$0	\$7,000,000	\$0
Department of Criminal Justice	\$0	\$0	\$359,673,191	\$0
Commission on Law Enforcement	\$0	\$0	\$5,800,000	\$0
Department of Agriculture	\$0	\$0	\$100,000,000	\$0
General Land Office and Veterans' Land Board	\$0	\$0	\$40,300,000	\$0
Parks and Wildlife Department	\$0	\$0	\$43,000,000	\$0
Department of Transportation	\$0	\$0	\$15,500,000	\$0
<b>Total, Article XII – ARPA</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,314,863,778</b>	<b>\$0</b>

NOTE: Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021; other legislation passed by the Eighty-seventh Legislature, Third Called Session, 2021, that affects appropriations; and technical and/or reconciling adjustments.

SOURCE: Legislative Budget Board.



## APPENDIX B – SUMMARY OF STATE BUDGET BY FISCAL YEAR

### OTHER FUNDS

**FIGURE B5**  
**OTHER FUNDS – STATEWIDE SUMMARY**

FUNCTION	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
Article I – General Government	\$652,424,224	\$1,364,135,777	\$525,938,281	\$499,796,587
Article II – Health and Human Services	\$910,801,156	\$1,172,484,613	\$569,650,154	\$596,666,594
Article III – Agencies of Education	\$8,010,666,590	\$7,735,591,089	\$8,298,608,467	\$7,941,476,589
<i>Public Education</i>	\$5,896,006,231	\$5,757,037,959	\$6,662,692,891	\$6,240,524,893
<i>Higher Education</i>	\$3,268,452,695	\$2,888,404,251	\$2,828,756,411	\$2,945,900,216
Article IV – Judiciary	\$141,504,330	\$95,624,065	\$89,100,856	\$90,318,022
Article V – Public Safety and Criminal Justice	\$167,217,125	\$122,698,628	\$87,508,557	\$74,513,457
Article VI – Natural Resources	\$1,489,031,182	\$1,005,982,758	\$262,549,537	\$217,551,262
Article VII – Business and Economic Development	\$13,272,137,862	\$8,746,602,416	\$10,963,762,096	\$10,494,653,520
Article VIII – Regulatory	\$24,369,513	\$67,227,778	\$34,872,247	\$51,924,773
Article IX – General Provisions	\$0	\$0	\$0	\$0
Article X – Legislature	\$26,462	\$101,425	\$101,425	\$101,425
<b>Total, All Functions</b>	<b>\$24,668,178,444</b>	<b>\$20,310,448,549</b>	<b>\$20,832,091,620</b>	<b>\$19,967,002,229</b>

NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B5 (CONTINUED)**  
**OTHER FUNDS – GENERAL GOVERNMENT**

<b>ARTICLE I – GENERAL GOVERNMENT</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Commission on the Arts	\$447,000	\$252,000	\$252,000	\$252,000
Office of the Attorney General	\$68,101,130	\$88,159,371	\$78,147,040	\$78,147,040
Bond Review Board	\$0	\$0	\$0	\$0
Cancer Prevention and Research Institute of Texas	\$294,987,051	\$299,602,067	\$300,051,000	\$300,051,000
Comptroller of Public Accounts	\$10,351,165	\$4,283,700	\$1,922,910	\$1,922,910
Fiscal Programs within the Office of the Comptroller of Public Accounts	\$12,617,789	\$7,300,000	\$45,980,000	\$25,980,000
Commission on State Emergency Communications	\$0	\$0	\$0	\$0
Texas Emergency Services Retirement System	\$0	\$0	\$0	\$0
Employees Retirement System	\$0	\$118,320,000	\$0	\$0
Texas Ethics Commission	\$5,509	\$0	\$0	\$0
Facilities Commission	\$86,705,546	\$599,412,033	\$18,325,699	\$18,325,699
Public Finance Authority	\$556,218	\$994,423	\$791,774	\$791,774
Office of the Governor	\$10,000	\$10,000	\$10,000	\$10,000
Trusted Programs within the Office of the Governor	\$120,049,341	\$115,747,366	\$7,713,000	\$2,113,000
Historical Commission	\$36,830,230	\$31,582,378	\$1,081,564	\$1,081,564
Department of Information Resources	\$450,092,948	\$441,186,127	\$451,436,090	\$458,860,290
Library and Archives Commission	\$7,462,895	\$9,459,573	\$10,641,882	\$8,215,328
Pension Review Board	\$0	\$0	\$0	\$0
Preservation Board	\$19,000	\$36,156,227	\$19,000	\$19,000
State Office of Risk Management	\$47,701,638	\$54,796,694	\$51,249,165	\$51,249,167
Secretary of State	\$7,645,277	\$7,570,968	\$8,340,223	\$6,857,067
Veterans Commission	\$31,120,286	\$29,365,589	\$29,333,966	\$29,333,966
<b>Subtotal, General Government</b>	<b>\$1,174,703,023</b>	<b>\$1,844,198,516</b>	<b>\$1,005,295,313</b>	<b>\$983,209,805</b>
Retirement and Group Insurance	\$1,276,010	\$1,284,750	\$1,418,355	\$1,427,992
Social Security and Benefit Replacement Pay	\$480,449	\$481,782	\$537,890	\$539,847
<b>Subtotal, Employee Benefits</b>	<b>\$1,756,459</b>	<b>\$1,766,532</b>	<b>\$1,956,245</b>	<b>\$1,967,839</b>
Bond Debt Service Payments	\$83,563	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$83,563</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Less Interagency Contracts	\$524,118,821	\$481,829,271	\$481,313,277	\$485,381,057
<b>Total, Article I – General Government</b>	<b>\$652,424,224</b>	<b>\$1,364,135,777</b>	<b>\$525,938,281</b>	<b>\$499,796,587</b>

NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B5 (CONTINUED)**  
**OTHER FUNDS – HEALTH AND HUMAN SERVICES**

<b>ARTICLE II – HEALTH AND HUMAN SERVICES</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Family and Protective Services	\$8,242,522	\$7,237,073	\$7,377,750	\$7,377,749
Department of State Health Services	\$136,878,590	\$106,329,198	\$117,801,013	\$117,200,073
Health and Human Services Commission	\$1,109,914,705	\$1,419,251,228	\$780,947,105	\$805,578,029
<b>Subtotal, Health and Human Services</b>	<b>\$1,255,035,817</b>	<b>\$1,532,817,499</b>	<b>\$906,125,868</b>	<b>\$930,155,851</b>
Retirement and Group Insurance	\$394,111	\$398,745	\$445,883	\$451,930
Social Security and Benefit Replacement Pay	\$115,926	\$114,234	\$114,564	\$146,154
<b>Subtotal, Employee Benefits</b>	<b>\$510,037</b>	<b>\$512,979</b>	<b>\$560,447</b>	<b>\$598,084</b>
Bond Debt Service Payments	\$636,747	\$623,803	\$623,803	\$623,803
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$636,747</b>	<b>\$623,803</b>	<b>\$623,803</b>	<b>\$623,803</b>
Less Interagency Contracts	\$345,381,445	\$361,469,668	\$337,659,964	\$334,711,144
<b>Total, Article II – Health and Human Services</b>	<b>\$910,801,156</b>	<b>\$1,172,484,613</b>	<b>\$569,650,154</b>	<b>\$596,666,594</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B5 (CONTINUED)**  
**OTHER FUNDS – AGENCIES OF EDUCATION**

<b>ARTICLE III – AGENCIES OF EDUCATION</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
<b>Public Education</b>				
Texas Education Agency	\$5,878,556,477	\$5,738,562,855	\$6,645,483,300	\$6,223,315,301
School for the Blind and Visually Impaired	\$6,547,774	\$7,115,758	\$5,830,245	\$5,830,246
School for the Deaf	\$10,901,980	\$11,359,346	\$11,379,346	\$11,379,346
<b>Subtotal, Public Education</b>	<b>\$5,896,006,231</b>	<b>\$5,757,037,959</b>	<b>\$6,662,692,891</b>	<b>\$6,240,524,893</b>
<b>Public Higher Education</b>				
<b>Two–Year Institutions</b>				
Public Community/Junior Colleges	\$0	\$0	\$0	\$0
<b>Lamar State Colleges</b>				
Lamar Institute of Technology	\$0	\$0	\$0	\$0
Lamar State College – Orange	\$20,897	\$1,472,000	\$0	\$0
Lamar State College – Port Arthur	\$488,676	\$5,830,782	\$0	\$0
<b>Subtotal, Lamar State Colleges</b>	<b>\$509,573</b>	<b>\$7,302,782</b>	<b>\$0</b>	<b>\$0</b>
<b>Texas State Technical Colleges</b>				
Texas State Technical College System Administration	\$0	\$0	\$0	\$0
Texas State Technical College – Harlingen	\$0	\$0	\$0	\$0
Texas State Technical College – West Texas	\$0	\$0	\$0	\$0
Texas State Technical College – Marshall	\$0	\$0	\$0	\$0
Texas State Technical College – Waco	\$0	\$0	\$0	\$0
Texas State Technical College – Fort Bend	\$0	\$0	\$0	\$0
Texas State Technical College – North Texas	\$0	\$0	\$0	\$0
<b>Subtotal, Texas State Technical Colleges</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Subtotal, Two–Year Institutions</b>	<b>\$509,573</b>	<b>\$7,302,782</b>	<b>\$0</b>	<b>\$0</b>
<b>General Academic Institutions</b>				
University of Texas System Administration	\$1,327,094	\$1,335,200	\$1,310,000	\$1,310,000
University of Texas at Arlington	\$4,073	\$4,073	\$4,073	\$4,073
University of Texas at Austin	\$11,388,711	\$1,230,956	\$1,224,787	\$1,224,787
University of Texas at Dallas	\$0	\$0	\$0	\$0
University of Texas at El Paso	\$1,646,057	\$1,678,632	\$1,637,632	\$1,637,632
University of Texas Rio Grande Valley	\$152,247	\$152,247	\$144,635	\$144,635
University of Texas of the Permian Basin	\$0	\$0	\$0	\$0
University of Texas at San Antonio	\$44	\$44	\$44	\$44
University of Texas at Tyler	\$0	\$0	\$0	\$0
Texas A&M University System Administrative and General Offices	\$0	\$0	\$0	\$0
Texas A&M University	\$152,224	\$165,000	\$165,000	\$165,000
Texas A&M University at Galveston	\$0	\$0	\$20,000	\$20,000
Prairie View A&M University	\$0	\$0	\$0	\$0
Tarleton State University	\$0	\$0	\$0	\$0
Texas A&M University – Central Texas	\$0	\$0	\$0	\$0
Texas A&M University – Corpus Christi	\$0	\$0	\$0	\$0
Texas A&M University – Kingsville	\$0	\$0	\$0	\$0
Texas A&M University – San Antonio	\$0	\$0	\$0	\$0
Texas A&M International University	\$91,787	\$91,787	\$87,198	\$87,198
West Texas A&M University	\$0	\$0	\$0	\$0

**FIGURE B5 (CONTINUED)**  
**OTHER FUNDS – AGENCIES OF EDUCATION**

<b>ARTICLE III – AGENCIES OF EDUCATION</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Texas A&M University – Commerce	\$0	\$0	\$0	\$0
Texas A&M University – Texarkana	\$0	\$0	\$0	\$0
University of Houston System Administration	\$0	\$11,884	\$11,238	\$11,238
University of Houston	\$11,052,821	\$15,364,881	\$3,349	\$3,349
University of Houston – Clear Lake	\$85,518	\$2,765	\$2,517	\$2,517
University of Houston – Downtown	\$4,008,186	\$8,186	\$8,186	\$8,186
University of Houston – Victoria	\$496,544	\$1,209,113	\$899	\$899
Midwestern State University	\$0	\$0	\$0	\$0
University of North Texas System Administration	\$11,977	\$9,700	\$10,500	\$10,500
University of North Texas	\$0	\$0	\$0	\$0
University of North Texas at Dallas	\$12,257	\$7,946	\$7,946	\$7,946
Stephen F. Austin State University	\$4,330,000	\$11,670,000	\$0	\$0
Texas Southern University	\$0	\$0	\$0	\$0
Texas Tech University System Administration	\$31,751	\$63,153	\$40,000	\$40,000
Texas Tech University	\$1,833	\$1,833	\$1,833	\$1,833
Angelo State University	\$0	\$0	\$0	\$0
Texas Woman's University	\$0	\$0	\$0	\$0
Texas State University System	\$0	\$0	\$0	\$0
Lamar University	\$1,418,585	\$5,700,000	\$0	\$0
Sam Houston State University	\$1,072,833	\$1,072,833	\$1,072,833	\$1,072,833
Texas State University	\$14,007	\$7,946	\$7,946	\$7,946
Sul Ross State University	\$7,946	\$7,946	\$7,946	\$7,946
Sul Ross State University Rio Grande College	\$0	\$0	\$0	\$0
<b>Subtotal, General Academic Institutions</b>	<b>\$37,306,495</b>	<b>\$39,796,125</b>	<b>\$5,768,562</b>	<b>\$5,768,562</b>
<b>Health Related Institutions</b>				
University of Texas Southwestern Medical Center	\$5,290,181	\$7,457,964	\$6,113,424	\$6,113,424
University of Texas Medical Branch at Galveston	\$5,591,388	\$4,791,874	\$3,896,104	\$3,896,102
University of Texas Health Science Center at Houston	\$3,593,327	\$3,671,808	\$3,519,158	\$3,519,158
University of Texas Health Science Center at San Antonio	\$16,347,067	\$33,514,836	\$14,600,401	\$14,600,401
University of Texas Rio Grande Valley School of Medicine	\$1,665,591	\$1,127,979	\$1,107,979	\$1,107,979
University of Texas M.D. Anderson Cancer Center	\$14,271,560	\$12,097,768	\$8,967,768	\$8,967,768
University of Texas Health Science Center at Tyler	\$2,801,196	\$2,862,484	\$2,852,961	\$2,852,961
Texas A&M University System Health Science Center	\$2,701,261	\$2,639,709	\$2,639,709	\$2,639,709
University of North Texas Health Science Center at Fort Worth	\$3,982,788	\$9,972,314	\$2,994,613	\$2,994,613
Texas Tech University Health Sciences Center	\$8,361,506	\$7,850,884	\$2,848,696	\$2,848,696
Texas Tech University Health Sciences Center at El Paso	\$8,886,494	\$8,309,645	\$2,633,000	\$2,633,000
University of Houston College of Medicine	\$0	\$0	\$1,100,000	\$1,100,000
<b>Subtotal, Health-related Institutions</b>	<b>\$73,492,359</b>	<b>\$94,297,265</b>	<b>\$53,273,813</b>	<b>\$53,273,811</b>

**FIGURE B5 (CONTINUED)**  
**OTHER FUNDS – AGENCIES OF EDUCATION**

<b>ARTICLE III – AGENCIES OF EDUCATION</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
<b>Texas A&amp;M University Services</b>				
Texas A&M AgriLife Research	\$6,776,253	\$6,776,253	\$7,156,253	\$7,156,253
Texas A&M AgriLife Extension Service	\$13,077,374	\$13,060,829	\$12,345,288	\$12,345,288
Texas A&M Engineering Experiment Station	\$48,022,732	\$48,022,733	\$43,521,277	\$43,521,278
Texas A&M Transportation Institute	\$47,175,093	\$48,191,441	\$48,378,575	\$48,733,498
Texas A&M Engineering Extension Service	\$52,853,924	\$63,977,737	\$62,891,398	\$62,891,397
Texas A&M Forest Service	\$1,051,826	\$56,862,976	\$474,568	\$474,568
Texas A&M Veterinary Medical Diagnostic Laboratory	\$12,349,324	\$12,866,815	\$11,917,603	\$11,922,603
Texas Division of Emergency Management	\$35,078,226	\$20,786,297	\$12,794,866	\$12,797,408
<b>Subtotal, Texas A&amp;M University Services</b>	<b>\$216,384,752</b>	<b>\$270,545,081</b>	<b>\$199,479,828</b>	<b>\$199,842,293</b>
<b>Other Higher Education</b>				
Higher Education Coordinating Board	\$40,563,297	\$32,536,319	\$32,126,541	\$31,001,598
Higher Education Fund	\$0	\$0	\$0	\$0
Available University Fund	\$1,396,546,333	\$1,171,867,267	\$1,218,838,120	\$1,277,717,232
Available National Research University Fund	\$24,454,556	\$24,956,632	\$25,045,556	\$25,466,425
Support for Military and Veterans Exemptions	\$8,815,572	\$8,871,281	\$9,106,887	\$9,322,520
<b>Subtotal, Other Higher Education</b>	<b>\$1,470,379,758</b>	<b>\$1,238,231,499</b>	<b>\$1,285,117,104</b>	<b>\$1,343,507,775</b>
<b>Subtotal, Public Higher Education</b>	<b>\$1,798,072,937</b>	<b>\$1,650,172,752</b>	<b>\$1,543,639,307</b>	<b>\$1,602,392,441</b>
<b>Employee Benefits</b>				
Teacher Retirement System	\$401,572,607	\$403,862,148	\$148,435,032	\$154,802,103
Optional Retirement Program	\$0	\$0	\$0	\$0
Higher Education Employees Group Insurance Contributions	\$0	\$0	\$0	\$0
Retirement and Group Insurance	\$2,268,637	\$2,289,265	\$2,310,519	\$2,332,422
Social Security and Benefit Replacement Pay	\$6,055,678	\$6,078,519	\$6,102,754	\$6,128,170
<b>Subtotal, Employee Benefits</b>	<b>\$409,896,922</b>	<b>\$412,229,932</b>	<b>\$156,848,305</b>	<b>\$163,262,695</b>
<b>Debt Service</b>				
Bond Debt Service Payments	\$2,788	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$2,788</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Less Interagency Contracts	\$93,312,288	\$83,849,554	\$64,572,036	\$64,703,440
<b>Total, Article III – Agencies of Education</b>	<b>\$8,010,666,590</b>	<b>\$7,735,591,089</b>	<b>\$8,298,608,467</b>	<b>\$7,941,476,589</b>

NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B5 (CONTINUED)**  
**OTHER FUNDS – JUDICIARY**

ARTICLE IV – JUDICIARY	EXPENDED 2020	BUDGETED 2021	APPROPRIATED 2022	APPROPRIATED 2023
Supreme Court of Texas	\$75,537,044	\$25,163,679	\$20,275,005	\$20,275,006
Court of Criminal Appeals	\$367,751	\$367,751	\$367,751	\$367,751
First Court of Appeals District, Houston	\$332,301	\$327,750	\$327,750	\$327,750
Second Court of Appeals District, Fort Worth	\$281,970	\$275,050	\$275,050	\$275,050
Third Court of Appeals District, Austin	\$224,076	\$229,900	\$229,900	\$229,900
Fourth Court of Appeals District, San Antonio	\$266,972	\$266,050	\$266,050	\$266,050
Fifth Court of Appeals District, Dallas	\$490,950	\$490,950	\$490,950	\$490,950
Sixth Court of Appeals District, Texarkana	\$97,450	\$96,450	\$96,450	\$96,450
Seventh Court of Appeals District, Amarillo	\$129,457	\$128,800	\$128,600	\$128,600
Eighth Court of Appeals District, El Paso	\$100,241	\$98,450	\$98,450	\$98,450
Ninth Court of Appeals District, Beaumont	\$130,600	\$130,600	\$130,600	\$130,600
Tenth Court of Appeals District, Waco	\$97,450	\$97,450	\$97,450	\$97,450
Eleventh Court of Appeals District, Eastland	\$100,450	\$100,450	\$100,450	\$100,450
Twelfth Court of Appeals District, Tyler	\$96,779	\$96,450	\$96,450	\$96,450
Thirteenth Court of Appeals District, Corpus Christi-Edinburg	\$230,316	\$228,900	\$228,900	\$228,900
Fourteenth Court of Appeals District, Houston	\$485,176	\$480,965	\$451,893	\$451,893
Office of Court Administration, Texas Judicial Council	\$6,588,661	\$7,091,942	\$6,925,683	\$6,709,628
Office of Capital and Forensic Writs	\$0	\$0	\$0	\$0
Office of the State Prosecuting Attorney	\$24,500	\$24,500	\$22,500	\$22,500
State Law Library	\$14,617	\$7,975	\$7,500	\$7,500
State Commission on Judicial Conduct	\$0	\$0	\$0	\$0
Judiciary Section, Comptroller's Department	\$60,794,666	\$65,455,145	\$64,613,076	\$65,137,355
<b>Subtotal, Judiciary</b>	<b>\$146,391,427</b>	<b>\$101,159,207</b>	<b>\$95,230,458</b>	<b>\$95,538,683</b>
Retirement and Group Insurance	\$4,211,918	\$4,181,582	\$4,181,582	\$4,181,582
Social Security and Benefit Replacement Pay	\$1,884,727	\$1,888,004	\$1,892,354	\$1,897,602
<b>Subtotal, Employee Benefits</b>	<b>\$6,096,645</b>	<b>\$6,069,586</b>	<b>\$6,073,936</b>	<b>\$6,079,184</b>
Less Interagency Contracts	\$10,983,742	\$11,604,728	\$12,203,538	\$11,299,845
<b>Total, Article IV – Judiciary</b>	<b>\$141,504,330</b>	<b>\$95,624,065</b>	<b>\$89,100,856</b>	<b>\$90,318,022</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B5 (CONTINUED)**  
**OTHER FUNDS – PUBLIC SAFETY AND CRIMINAL JUSTICE**

<b>ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Alcoholic Beverage Commission	\$206,182	\$236,453	\$100,000	\$100,000
Department of Criminal Justice	\$128,747,435	\$98,570,162	\$80,735,974	\$67,700,963
Commission on Fire Protection	\$134,291	\$90,000	\$90,000	\$90,000
Commission on Jail Standards	\$1,425	\$1,425	\$1,425	\$1,425
Juvenile Justice Department	\$19,934,268	\$12,138,754	\$12,484,544	\$12,238,144
Commission on Law Enforcement	\$934,434	\$868,905	\$632,300	\$637,200
Texas Military Department	\$29,946,707	\$9,537,500	\$10,537,500	\$9,537,500
Department of Public Safety	\$77,048,238	\$88,228,381	\$66,390,221	\$66,390,221
<b>Subtotal, Public Safety and Criminal Justice</b>	<b>\$256,952,980</b>	<b>\$209,671,580</b>	<b>\$170,971,964</b>	<b>\$156,695,453</b>
Retirement and Group Insurance	\$0	\$0	\$0	\$0
Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
<b>Subtotal, Employee Benefits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Bond Debt Service Payments	\$38,176	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$38,176</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Less Interagency Contracts	\$89,774,031	\$86,972,952	\$83,463,407	\$82,181,996
<b>Total, Article V – Public Safety and Criminal Justice</b>	<b>\$167,217,125</b>	<b>\$122,698,628</b>	<b>\$87,508,557</b>	<b>\$74,513,457</b>

NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.



**FIGURE B5 (CONTINUED)**  
**OTHER FUNDS – NATURAL RESOURCES**

<b>ARTICLE VI – NATURAL RESOURCES</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Agriculture	\$5,396,603	\$2,410,481	\$3,490,684	\$2,890,685
Animal Health Commission	\$9,589	\$0	\$0	\$0
Commission on Environmental Quality	\$11,186,962	\$15,201,455	\$10,724,582	\$10,724,582
General Land Office and Veterans' Land Board	\$210,981,150	\$370,395,181	\$90,006,154	\$68,579,435
Low-level Radioactive Waste Disposal Compact Commission	\$0	\$0	\$0	\$0
Parks and Wildlife Department	\$61,103,215	\$14,591,639	\$7,856,334	\$4,803,381
Railroad Commission	\$16,468,388	\$16,587,100	\$1,350,000	\$1,739,694
Soil and Water Conservation Board	\$33,005,361	\$117,000,000	\$0	\$0
Water Development Board	\$1,152,002,274	\$469,628,724	\$148,886,875	\$128,475,575
<b>Subtotal, Natural Resources</b>	<b>\$1,490,153,542</b>	<b>\$1,005,814,580</b>	<b>\$262,314,629</b>	<b>\$217,213,352</b>
Retirement and Group Insurance	\$7,420,402	\$8,032,030	\$8,124,011	\$8,219,088
Social Security and Benefit Replacement Pay	\$2,270,578	\$2,491,355	\$2,498,081	\$2,506,006
<b>Subtotal, Employee Benefits</b>	<b>\$9,690,980</b>	<b>\$10,523,385</b>	<b>\$10,622,092</b>	<b>\$10,725,094</b>
Bond Debt Service Payments	\$12,982	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$12,982</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Less Interagency Contracts	\$10,826,322	\$10,355,207	\$10,387,184	\$10,387,184
<b>Total, Article VI – Natural Resources</b>	<b>\$1,489,031,182</b>	<b>\$1,005,982,758</b>	<b>\$262,549,537</b>	<b>\$217,551,262</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B5 (CONTINUED)  
OTHER FUNDS – BUSINESS AND ECONOMIC DEVELOPMENT**

<b>ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Department of Housing and Community Affairs	\$24,077,724	\$20,194,876	\$21,241,673	\$21,349,945
Texas Lottery Commission	\$0	\$0	\$0	\$0
Department of Motor Vehicles	\$138,506,060	\$167,504,042	\$140,486,620	\$135,401,360
Department of Transportation	\$12,758,774,987	\$8,201,843,513	\$10,434,297,314	\$9,964,966,622
Texas Workforce Commission	\$120,950,634	\$118,632,039	\$82,643,344	\$83,484,564
Reimbursements to the Unemployment Compensation Benefit Account	\$16,241,053	\$22,312,675	\$28,684,861	\$16,971,100
<b>Subtotal, Business and Economic Development</b>	<b>\$13,058,550,458</b>	<b>\$8,530,487,145</b>	<b>\$10,707,353,812</b>	<b>\$10,222,173,591</b>
Retirement and Group Insurance	\$294,568,156	\$299,970,780	\$308,790,121	\$313,807,271
Social Security and Benefit Replacement Pay	\$59,418,551	\$59,772,352	\$61,190,376	\$61,373,980
<b>Subtotal, Employee Benefits</b>	<b>\$353,986,707</b>	<b>\$359,743,132</b>	<b>\$369,980,497</b>	<b>\$375,181,251</b>
Bond Debt Service Payments	\$3,976	\$0	\$0	\$0
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$3,976</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Less Interagency Contracts	\$140,403,279	\$143,627,861	\$113,572,213	\$102,701,322
<b>Total, Article VII – Business and Economic Development</b>	<b>\$13,272,137,862</b>	<b>\$8,746,602,416</b>	<b>\$10,963,762,096</b>	<b>\$10,494,653,520</b>

NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B5 (CONTINUED)**  
**OTHER FUNDS – REGULATORY**

<b>ARTICLE VIII – REGULATORY</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
State Office of Administrative Hearings	\$4,767,100	\$4,912,100	\$4,449,600	\$4,449,600
Behavioral Health Executive Council	\$0	\$15,988	\$888,000	\$888,000
Board of Chiropractic Examiners	\$47,500	\$47,500	\$64,500	\$64,500
Texas State Board of Dental Examiners	\$315,500	\$258,500	\$258,500	\$258,500
Funeral Service Commission	\$87,100	\$87,100	\$87,100	\$87,100
Board of Professional Geoscientists	\$0	\$0	\$0	\$0
Health Professions Council	\$1,121,744	\$1,139,239	\$1,556,899	\$1,372,832
Office of Injured Employee Counsel	\$0	\$0	\$0	\$0
Department of Insurance	\$7,809,887	\$50,790,227	\$17,350,277	\$34,402,801
Office of Public Insurance Counsel	\$183,080	\$191,670	\$191,670	\$191,670
Department of Licensing and Regulation	\$6,294,352	\$6,379,946	\$6,379,946	\$6,379,946
Texas Medical Board	\$330,624	\$62,306	\$269,835	\$269,835
Texas Board of Nursing	\$3,999,401	\$3,999,401	\$3,999,401	\$3,999,401
Optometry Board	\$60,945	\$45,321	\$45,321	\$45,321
Board of Pharmacy	\$1,014,015	\$1,014,015	\$1,014,015	\$1,014,015
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$82,180	\$82,180	\$90,658	\$90,660
Board of Plumbing Examiners	\$26,200	\$26,200	\$25,600	\$25,600
Racing Commission	\$3,130,000	\$3,130,000	\$3,130,000	\$3,130,000
Securities Board	\$1,094	\$0	\$0	\$0
Public Utility Commission of Texas	\$475,000	\$475,000	\$475,000	\$475,000
Office of Public Utility Counsel	\$0	\$0	\$0	\$0
Board of Veterinary Medical Examiners	\$5,527	\$5,527	\$5,527	\$5,527
<b>Subtotal, Regulatory</b>	<b>\$29,751,249</b>	<b>\$72,662,220</b>	<b>\$40,281,849</b>	<b>\$57,150,308</b>
Retirement and Group Insurance	\$796,605	\$796,605	\$796,605	\$796,605
Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
<b>Subtotal, Employee Benefits</b>	<b>\$796,605</b>	<b>\$796,605</b>	<b>\$796,605</b>	<b>\$796,605</b>
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Less Interagency Contracts	\$6,178,341	\$6,231,047	\$6,206,207	\$6,022,140
<b>Total, Article VIII – Regulatory</b>	<b>\$24,369,513</b>	<b>\$67,227,778</b>	<b>\$34,872,247</b>	<b>\$51,924,773</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

**FIGURE B5 (CONTINUED)**  
**OTHER FUNDS – LEGISLATURE**

<b>ARTICLE X – LEGISLATURE</b>	<b>EXPENDED 2020</b>	<b>BUDGETED 2021</b>	<b>APPROPRIATED 2022</b>	<b>APPROPRIATED 2023</b>
Senate	\$0	\$0	\$0	\$0
House of Representatives	\$0	\$0	\$0	\$0
Legislative Budget Board	\$0	\$0	\$0	\$0
Legislative Council	\$0	\$0	\$0	\$0
Commission on Uniform State Laws	\$0	\$0	\$0	\$0
Sunset Advisory Commission	\$0	\$0	\$0	\$0
State Auditor's Office	\$4,083,639	\$4,775,000	\$4,775,000	\$4,775,000
Legislative Reference Library	\$2,425	\$2,425	\$2,425	\$2,425
<b>Subtotal, Legislature</b>	<b>\$4,086,064</b>	<b>\$4,777,425</b>	<b>\$4,777,425</b>	<b>\$4,777,425</b>
Retirement and Group Insurance	\$0	\$0	\$0	\$0
Social Security and Benefit Replacement Pay	\$0	\$0	\$0	\$0
<b>Subtotal, Employee Benefits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Lease Payments	\$0	\$0	\$0	\$0
<b>Subtotal, Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Less Interagency Contracts	\$4,059,602	\$4,676,000	\$4,676,000	\$4,676,000
<b>Total, Article X – Legislature</b>	<b>\$26,462</b>	<b>\$101,425</b>	<b>\$101,425</b>	<b>\$101,425</b>

## NOTES:

- (1) Budgeted 2021 incorporates certain appropriation adjustments relating to House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; and technical and/or reconciling adjustments.
- (2) Appropriated 2022 and 2023 incorporate certain appropriation adjustments relating to Article IX of Senate Bill 1 (Conference Committee Report), Eighty-seventh Legislature, Regular Session, 2021; Senate Bill 1605, Eighty-seventh Legislature, Regular Session, 2021; other legislation passed by the Eighty-seventh Legislature that affects appropriations; and technical and/or reconciling adjustments.
- (3) Article totals exclude Interagency Contracts.

SOURCE: Legislative Budget Board.

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## APPENDIX C – HOUSE COMMITTEE ON APPROPRIATIONS

### EIGHTY-SEVENTH LEGISLATURE, 2022–23 BIENNIUM

**GREG BONNEN, CHAIR**, Representative District 24, Friendswood

**MARY E. GONZÁLEZ, VICE CHAIR**, Representative District 75, Clint

Trent Ashby, Representative District 57, Lufkin

Cecil Bell, Representative District 3, Magnolia

Giovanni Capriglione, Representative District 98, Southlake

Jay Dean, Representative District 7, Longview

Alex Dominguez, Representative District 37, Brownsville

Gary Gates, Representative District 28, Rosenberg

Justin Holland, Representative District 33, Heath

Donna Howard, Representative District 48, Austin

Ann Johnson, Representative District 134, Houston

Jarvis D. Johnson, Representative District 139, Houston

Julie Johnson, Representative District 115, Farmers Branch

Ina Minjarez, Representative District 124, San Antonio

Geanie W. Morrison, Representative District 30, Victoria

John Raney, Representative District 14, Bryan

Toni Rose, Representative District 110, Dallas

Matt Schaefer, Representative District 6, Tyler

Carl Sherman, Sr., Representative District 109, DeSoto

Lynn Stucky, Representative District 64, Sanger

Ed Thompson, Representative District 29, Pearland

Steve Toth, Representative District 15, Conroe

Gary VanDeaver, Representative District 1, New Boston

Armando Walle, Representative District 140, Houston

Terry M. Wilson, Representative District 20, Granite Shoals

Gene Wu, Representative District 137, Houston

Erin Zwiener, Representative District 45, Driftwood



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## APPENDIX D – SENATE COMMITTEE ON FINANCE

### EIGHTY-SEVENTH LEGISLATURE 2022–23 BIENNIUM

**JANE NELSON, CHAIR**, Senatorial District 12, Flower Mound (1)

**EDDIE LUCIO, JR., VICE CHAIR**, Senatorial District 27, Brownsville

Paul Bettencourt, Senatorial District 7, Houston

Dawn Buckingham, Senatorial District 24, Lakeway

Donna Campbell, Senatorial District 25, New Braunfels

Brandon Creighton, Senatorial District 4, Conroe

Kelly Hancock, Senatorial District 9, North Richland Hills

Joan Huffman, Senatorial District 17, Houston (1)

Lois Kolkhorst, Senatorial District 18, Brenham

Robert Nichols, Senatorial District 3, Jacksonville

Charles Perry, Senatorial District 28, Lubbock

Charles Schwertner, Senatorial District 5, Georgetown

Larry Taylor, Senatorial District 11, Friendswood

Royce West, Senatorial District 23, Dallas

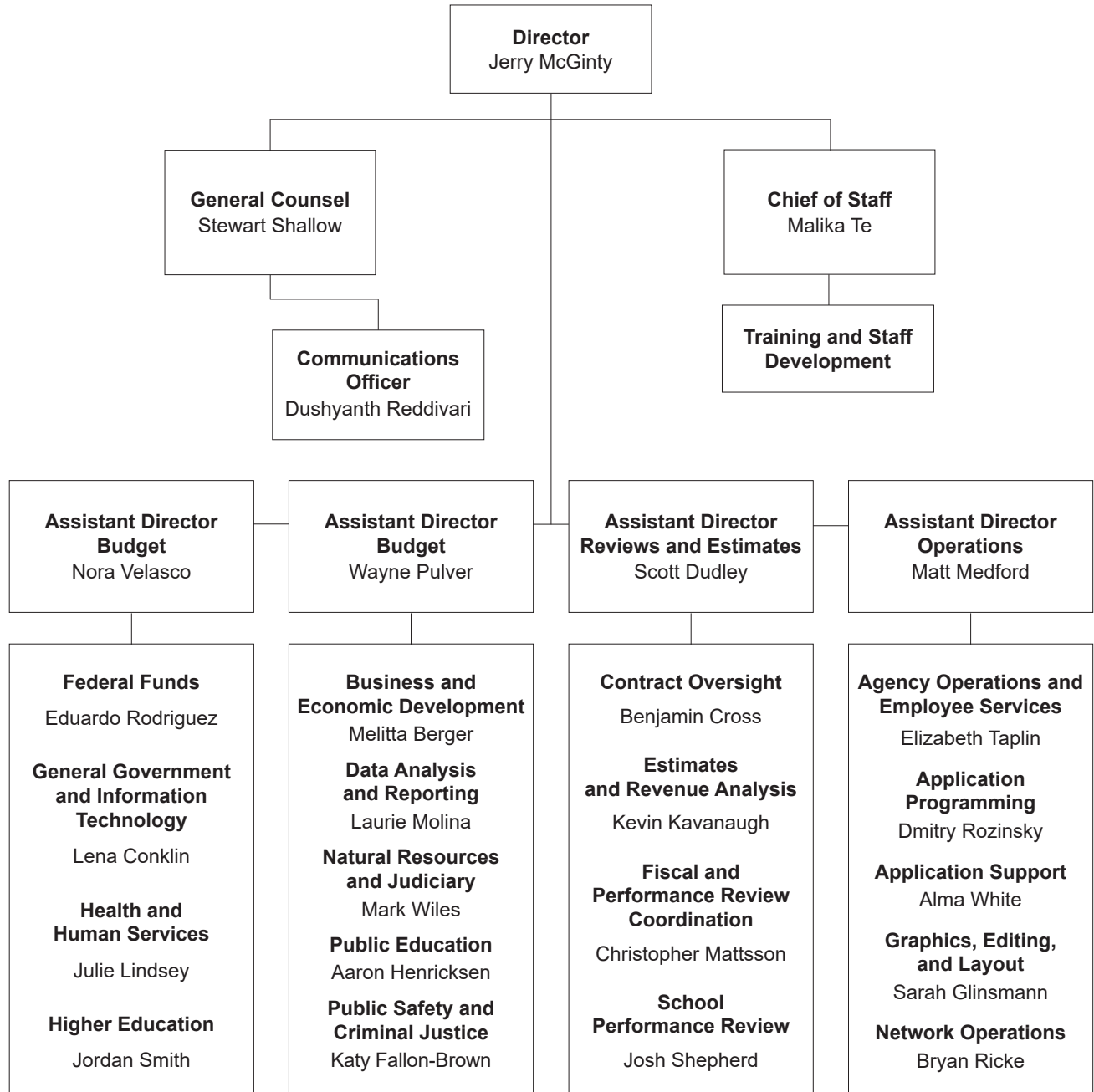
John Whitmire, Senatorial District 15, Houston

NOTE: (1) Chair Nelson announced July 5, 2021, that she would not seek re-election to the Texas Senate. Senator Huffman was named Chair of the Senate Committee on Finance on January 11, 2022.





# APPENDIX E – LEGISLATIVE BUDGET BOARD ORGANIZATION





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## APPENDIX F – ABBREVIATIONS, INITIALISMS, AND ACRONYMS

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AAS—Agricultural Analytical Service  
ACCESS—Adult Curriculum for Community, Employment, and Social Skills  
ACP—Address Confidentiality Program; Alternative Certification Program  
ADA—average daily attendance  
ADP—average daily population  
ADR—alternative dispute resolution  
AIDS—acquired immune deficiency syndrome  
ALR—Administrative License Revocation  
AMFI—Area Median Family Income  
AMH—Adult Mental Health (program)  
ANRUF—Available National Research University Fund  
APS—Adult Protective Services  
ARD—admission, review, and dismissal  
ARIS—Archives and Information Services Division, Texas State Library and Archives Commission  
ARPA—federal American Rescue Plan Act of 2021  
ASF—Available School Fund  
ASL—American Sign Language  
AUF—Available University Fund

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BAT—bachelor of applied technology (degree) program  
BDO— Broadband Development Office  
BCCS—Breast and Cervical Cancer Services  
BCLS—Basic Civil Legal Services  
BCM—Baylor College of Medicine  
BEST—Blindness, Education, Screening, and Treatment Program  
BET—Business Enterprises of Texas  
BPP—Board of Pardons and Paroles  
BRB—Bond Review Board  
BRE—Biennial Revenue Estimate, produced by the Comptroller of Public Accounts  
BRP—Benefit Replacement Pay  
Btu—British thermal units

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CAC—Children’s Advocacy Center (program)  
CAPPs—Centralized Accounting and Payroll/Personnel System  
CARES Act—federal Coronavirus Aid, Relief, and Economic Security Act, 2020  
CASA—Court Appointed Special Advocates (program)  
CBC—Community-based Care  
CCA—Court of Criminal Appeals  
CCAP—Capital Construction Assistance Projects, formerly tuition revenue bonds  
CCDBG—federal Child Care and Development Block Grant  
CCTS—Capitol Complex Telephone System  
CDBG—Community Development Block Grant  
CDFI—community development financial institution  
CDL—constitutional debt limit  
CHIP—federal Children’s Health Insurance Program  
CHS—Center for Health Statistics, Department of State Health Services  
CID—Criminal Investigations Division, Department of Public Safety  
CIS—Communities in Schools; Completed Impact Statements  
CJAD—Community Justice Assistance Division, Texas Department of Criminal Justice  
CJD—Criminal Justice Division, Trusteed Programs within the Office of the Governor  
CMHC—Correctional Managed Health Care  
CMP—Coastal Management Program  
CNG—compressed natural gas  
COG—council of government  
COVID-19—coronavirus disease that began a pandemic during calendar year 2019; see entry for SARS-CoV-2  
CPA—Comptroller of Public Accounts  
CPI—Consumer Price Index  
CPRIT—Cancer Prevention and Research Institute of Texas  
CPS—Child Protective Services  
CPW—Center for Ports and Waterways

CRF—federal Coronavirus Relief Fund  
 CRE—*Certification Revenue Estimate*,  
 prepared by the Comptroller of Public Accounts  
 CSCD—community supervision  
 and corrections department  
 CSEC—Commission on State Emergency Communications  
 CSHCN—Children with Special Health Care Needs (program)  
 CVC—Compensation to Victims of Crime;  
 Capitol Visitors Center  
 CWF—Compact Waste Disposal Facility  
 CWSRF—Clean Water State Revolving Fund  
 CWTAP—federal Colonia Wastewater Treatment  
 Assistance Program

DART—Disaster Assessment and Recovery Teams, Texas  
 A&M AgriLife Extension Service  
 DCS— Department of Information Resources,  
 Data Center Services  
 DDS—Disability Determination Services  
 DEAAG—Defense Economic Adjustment Assistance Grant  
 DFPS—Department of Family and Protective Services  
 DIR—Department of Information Resources  
 DLD—Driver License Division, Department of Public  
 Safety  
 DMV—Department of Motor Vehicles  
 DNA—deoxyribonucleic acid  
 DPS—Department of Public Safety  
 DSHS—Department of State Health Services  
 DWC—Division of Workers’ Compensation,  
 Texas Department of Insurance  
 DWQS—Drinking Water Quality and Standards (program)  
 DWSRF—Drinking Water State Revolving Fund

ECHS—Early College High School  
 ECI—Early Childhood Intervention  
 EDA—Existing Debt Allotment  
 EDAP—Economically Distressed Areas Program  
 EFMAP—enhanced federal medical assistance percentage  
 EFU—Election Fraud Unit

ELL—English language learner  
 EMS—emergency medical services  
 EPA—U.S. Environmental Protection Agency  
 ERCOT—Electric Reliability Council of Texas  
 ERS—Employees Retirement System of Texas  
 ESC—Education Service Center  
 ESF—Economic Stabilization Fund  
 ESG—Emergency Solutions Grant Program  
 ESSA—federal Every Student Succeeds Act  
 ESSER—Elementary and Secondary School Emergency  
 Relief Fund I, II, and III  
 EVV—electronic visit verification

FAPE—free appropriate public education  
 FCU—Financial Crimes Unit  
 FDA—U.S. Food and Drug Administration  
 FEMA—Federal Emergency Management Agency  
 FFCS—Feed and Fertilizer Control Service  
 FFPSA—federal Family First Prevention Services Act  
 FMAP—federal medical assistance percentage  
 FPL—federal poverty level  
 FPP—Family Planning Program  
 FSCR—family supports and community resources  
 FSP—Foundation School Program  
 FSS—family support services  
 FTE—full-time-equivalent (positions)  
 FTSE—full-time student equivalent  
 FVA—Fund for Veterans’ Assistance  
 FWF—Federal Waste Disposal Facility

GAA—General Appropriations Act  
 GAB—General Appropriations Bill  
 GAI—general academic institutions  
 GBP—group benefits program  
 GCPD—Governor’s Committee on People with Disabilities  
 GCW—Governor’s Commission for Women  
 GEERF— Governor’s Emergency Education Relief Fund I  
 and II

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GIS—geographic information system	IDEA—federal Individuals with Disabilities Education Act
GLO—General Land Office	IDD—intellectual or developmental disabilities
GME—graduate medical education	IFA—Instructional Facilities Allotment
GO—General Obligation (bonds)	IPTC—In-Prison Therapeutic Community (program)
GPA—grade point average	ISD—independent school district
GURI—Governor’s University Research Initiative	ISS—Individualized Skills and Socialization providers
	IT—information technology
	ITP—individual treatment plan
HAVA—Help America Vote Act	JAMP—Joint Admission Medical Program
HCBS—Home and Community-based Services (program)	JBCC—Judicial Branch Certification Commission
HEERF— Higher Education Emergency Relief Fund I, II, and III	JET—Jobs and Education for Texans grant program
HEF—Higher Education Fund	JJAEP—Juvenile Justice Alternative Education Program
HEGI—Higher Education Employees Group Insurance	JR—joint resolution
HHS—health and human services function or agencies	JRS—Judicial Retirement System, plans I and II
HHSC—Health and Human Services Commission	
HHSP—Homeless Housing and Services Program	
HIV—human immunodeficiency virus	
HLP—Hazlewood Legacy Program	
HOME—federal HOME Investment Partnerships Program	LBB—Legislative Budget Board
HOPES—Healthy Outcomes through Prevention and Early Support	LBHA—local behavioral health authority
HPC—Health Professions Council	LBE—Legislative Budget Estimates
HR—human resources	LECOS—Law Enforcement and Custodial Officer Supplemental (Retirement Fund)
HRI—health-related institutions	LIDDA—local intellectual and developmental disability authority
HTC—Housing Tax Credit	LLC—limited liability company
HTF—housing trust fund	LLRWDC—Low-level Radioactive Waste Disposal Compact Commission
HTTOC— Office of the Attorney General, Human Trafficking and Transnational Organized Crime division	LMHA—local mental health authority
HTW—Healthy Texas Women Program	LNG—liquefied natural gas
HUD—U.S. Department of Housing and Urban Development	LoanSTAR—Loans to Save Taxes and Resources
	LPG—liquefied petroleum gas
	LRL—Legislative Reference Library
	LWDB—Local Workforce Development Boards
I&A—instruction and administration	MCC—Mortgage Credit Certificate (program)
I&O—instruction and operations	MFMRB—Multifamily Mortgage Revenue Bonds (program)
I&S—interest and sinking	MLPP—Master Lease Purchase Program
ICF/IID—intermediate care facilities for individuals with intellectual disability	
ICTD—Department of Public Safety, Intelligence and Counterterrorism Division	

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MIRP—major information resources project  
 MLDP—Managed Lands Deer Program  
 MMIS—Medicaid Management Information System  
 MSA—metropolitan statistical area  
 MSU—maximum security unit  
 MVCPA—Motor Vehicle Crime Prevention Authority  
 MVE—(Support for) Military Veterans Exemptions

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NAAQS—National Ambient Air Quality Standards  
 NASA—National Aeronautics and Space Administration  
 NFIP—National Flood Insurance Program  
 NPL—federal National Priorities List for hazardous waste  
 NRUF—National Research University Fund  
 NSOC—Network Security Operations Center  
 NYMEX—New York Mercantile Exchange

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OAG—Office of the Attorney General  
 OBPH—Office of Border Public Health, Department of State Health Services  
 OCA—Office of Court Administration, Texas Judicial Council  
 OCFW—Office of Capital and Forensic Wrists  
 OIEC—Office of Injured Employee Counsel  
 OIG—Office of Inspector General  
 OIO—Office of the Independent Ombudsman  
 OPIC—Office of Public Insurance Counsel  
 OPUC—Office of Public Utility Counsel  
 ORP—Optional Retirement Program  
 OSFR—Office of State–Federal Relations  
 OSPA—Office of the State Prosecuting Attorney  
 OTSC—Office of the Texas State Chemist, Texas A&M AgriLife Research

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PAB—private activity bond; federal Private Activity Bond Allocation Program  
 PAL—preparation for adult living purchased services provided by Child Protective Services  
 PCA—permanency care assistance payments

PEIMS—Public Education Information Management System  
 PHEF—Permanent Higher Education Fund  
 PIU—Public Integrity Unit, Texas Ranger Division  
 PRB—Pension Review Board  
 PSAP—public safety answering point, Commission on State Emergency Communications  
 PSF—Permanent School Fund  
 PSO—Public Safety Office  
 PSP—Private Security Program, Department of Public Safety  
 PST—petroleum storage tank program, Texas Commission on Environmental Quality  
 PSTAR—Petroleum Storage Tank Administration and Regulatory program  
 P-TECH—Pathways in Technology Early College High School  
 PTRF—Property Tax Relief Fund  
 PUC—Public Utility Commission  
 PUF—Permanent University Fund  
 PVS—Property Value Study, Comptroller of Public Accounts

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QAT—Quality Assurance Team  
 QDRO—Qualified Domestic Relations Orders

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RAMI Hub—Rio Grande Valley Advanced Manufacturing Innovation Hub  
 RCRA—federal Resource Conservation and Recovery Act  
 RESFA—Real Estate Special Fund Account  
 RESTORE Act—Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012  
 RGSP—Real Gross State Product  
 RPC—regional planning commission  
 RRC—Railroad Commission of Texas

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SAAP—federal Special Appropriation Act Project grants  
 SABG—Substance Abuse Prevention and Treatment block grant

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SAC—Sunset Advisory Commission	STAR—Services to At-risk Youth program; State of Texas Armory Revitalization program
SAFPF—substance abuse felony punishment facility	STAR+PLUS—Texas Medicaid managed care program for adults who have disabilities or are age 65 or older
SAO—State Auditor’s Office	STD—sexually transmitted disease
SARS-CoV-2—severe acute respiratory syndrome related to the coronavirus that developed in calendar year 2019; see the entry for COVID-19	STEM—science, technology, engineering, and mathematics
SBEC—State Board for Educator Certification	SWCD—soil and water conservation district
SBOE—State Board of Education	SWIFT—State Water Implementation Fund for Texas
SCJC—State Commission on Judicial Conduct	SWIRFT—State Water Implementation Revenue Fund for Texas
SDU—State Disbursement Unit, Office of the Attorney General, Child Support Division	SWP—State Water Plan
SECO—State Energy Conservation Office, Fiscal Programs within the Office of the Comptroller of Public Accounts	
SFA—school food authority	
SFMRB—Single-family mortgage revenue bonds	
SFR—Strategic Fiscal Review	
SGST—Sporting Goods Sales Tax	
SHF—State Highway Fund	
SIF—Subsequent Injury Fund, administered by the Texas Department of Insurance, Division of Workers’ Compensation	
SIP—State Implementation Plan, Texas Commission on Environmental Quality	
SIU—Special Investigations Unit, Texas Alcoholic Beverage Commission	
SLB—School Land Board	
SNAP—Supplemental Nutrition Assistance Program	
SOAH—State Office of Administrative Hearings	
SORM—State Office of Risk Management	
SOS—Secretary of State	
SOSDirect—Secretary of State Online Access	
SPB—State Preservation Board	
SPP—State Participation Program	
SPU—Special Prosecution Unit, Judiciary Section, Comptroller’s Department	
SRC—State Records Center	
SSCC—single-source continuum contractor	
SSLC—State Supported Living Centers	
STAAR—State of Texas Assessments of Academic Readiness	
	TAAS—Texas Assessment of Academic Skills
	TABC—Texas Alcoholic Beverage Commission
	TAES—Texas A&M AgriLife Extension Service
	TAHC—Texas Animal Health Commission
	TAIS—Texas Apiary Inspection Service, Texas A&M AgriLife Research
	TAJF—Texas Access to Justice Foundation
	TAKS—Texas Assessment of Knowledge and Skills
	TAMU—Texas A&M University
	TANF—Temporary Assistance for Needy Families
	TAR—Texas A&M AgriLife Research
	TB—tuberculosis
	TBP—Talking Book Program
	TCA—Texas Commission on the Arts
	TCAP—Tax Credit Assistance Program
	TCCO—Texas Civil Commitment Office
	TCEQ—Texas Commission on Environmental Quality
	TCFP—Texas Commission on Fire Protection
	TCI—Texas Correctional Industries
	TCID—Texas Center for Infectious Disease
	TCJS—Texas Commission on Jail Standards
	TCLEDDS—Texas Commission on Law Enforcement Data Distribution System
	TCOLE—Texas Commission on Law Enforcement
	TCOOMMI—Texas Correctional Office on Offenders with Medical or Mental Impairments
	TDA—Texas Department of Agriculture

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TDCJ—Texas Department of Criminal Justice	TMO—Texas Music Office
TDEM—Texas Division of Emergency Management	TMPC—Texas Military Preparedness Commission
TDHCA—Texas Department of Housing and Community Affairs	TPCO—Texas Primary Care Office, Department of State Health Services
TDI—Texas Department of Insurance	TPFA—Texas Public Finance Authority
TDLR—Texas Department of Licensing and Regulation	TPWD—Texas Parks and Wildlife Department
TEA—Texas Education Agency	TRD—Texas Ranger Division, Department of Public Safety
TEAM—Texas Election Administration Management voter registration system	TREE Fund—Tax Reduction and Excellence in Education Fund
TEC—Texas Ethics Commission	TRS—Teacher Retirement System of Texas
TEDB—Texas Economic Development Bank	TSBVI—Texas School for the Blind and Visually Impaired
TEES—Texas A&M Engineering Experiment Station	TSD—Texas School for the Deaf
TEEX—Texas A&M Engineering Extension Service	TSLAC—Texas State Library and Archives Commission
TEF—Texas Enterprise Fund	TSSWCB—Texas State Soil and Water Conservation Board
TEOG—Texas Educational Opportunity Grant	TSTC—Texas State Technical College
TEPHI—Texas Epidemic Public Health Institute	T-STEM—Texas Science, Technology, Engineering, and Mathematics program
TERP—Texas Emissions Reduction Plan	TTC—Texas Transportation Commission
TESRS—Texas Emergency Services Retirement System	TTI—Texas A&M Transportation Institute
TEX-AN—Texas Agency Network	TTSTC—Texas Treasury Safekeeping Trust Company
TEXAS Grant Program—Towards EXcellence, Access, and Success Grant Program	TTUHSC—Texas Tech University Health Sciences Center
TFA—Teach for America	TVC—Texas Veterans Commission
TFC—Texas Facilities Commission; Texas Film Commission	TVMDL—Texas A&M Veterinary Medical Diagnostic Laboratory
TFS—Texas A&M Forest Service	TWC—Texas Workforce Commission
TFSC—Texas Forensic Science Commission	TWDB—Texas Water Development Board
THC—Texas Historical Commission	TWPP—Texas Wildfire Protection Plan
THECB—Texas Higher Education Coordinating Board	TxDOT—Texas Department of Transportation
THPD—Texas Highway Patrol Division, Department of Public Safety	TXMF—Texas military forces
TIDC—Texas Indigent Defense Commission	TXNG—Texas National Guard
TIERS—Texas Integrated Eligibility Redesign System	TXSG—Texas State Guard
TIF—Transportation Infrastructure Fund	TX-TF1 and 2—Texas Task Force 1 and 2
TIMA—Technology and Instructional Materials Allotment	
TJJJ—Texas Juvenile Justice Department	
TLC—Texas Lottery Commission	UCC—Uniform Commercial Code
TMD—Texas Military Department	UCIP—Unsolved Crimes Investigation Program
TMDL—total maximum daily load, water measurement	UGME—undergraduate medical education program
TMF—Texas Mobility Fund	UI—unemployment insurance



UIC—Underground Injection Control program  
USACE—U.S. Army Corps of Engineers  
USDA—U.S. Department of Agriculture  
USDW—underground sources of drinking water  
UT—University of Texas  
UTHSC—University of Texas Health Science Center  
UTIMCO—University of Texas/Texas A&M Investment  
Management Company  
UTMB—University of Texas Medical Branch

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VA—U.S. Department of Veterans Affairs  
VEIMP—Vehicle Emissions Inspection  
and Maintenance Program  
VEP—Veteran Entrepreneur Program  
VIP—Vehicle Inspection Program, Department of  
Public Safety  
VLB—Veterans’ Land Board  
VSU—Vital Statistics Unit, Department of State  
Health Services

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WCS—Waste Control Specialists, LLC  
WIC—Special Supplemental Nutrition Program  
for Women, Infants, and Children  
WIF—Water Infrastructure Fund  
WIOA—Workforce Innovation and Opportunity Act  
WSD—Windham School District



# APPENDIX G – READER’S GUIDE TO THE GENERAL APPROPRIATIONS ACT

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.

**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 contains 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 example shows the Fiscal Size-up version.

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

<b>A OFFICE OF THE ATTORNEY GENERAL</b>		For the Years Ending	
		August 31, 2022	August 31, 2023
<b>B</b>	<b>Method of Financing:</b>		
	<u>General Revenue Fund</u>		
	General Revenue Fund <sup>1</sup>	\$ 166,172,412	\$ 122,842,560
	Child Support Retained Collection Account	114,113,986	114,113,986
	Attorney General Debt Collection Receipts	<u>8,300,000</u>	<u>8,300,000</u>
	Subtotal, General Revenue Fund	\$ 288,586,398	\$ 245,256,546
	<u>General Revenue Fund - Dedicated</u>		
	Texas Department of Insurance Operating Fund Account No. 036	\$ 3,411,343	\$ 3,411,343
	Compensation to Victims of Crime Account No. 469 <sup>2</sup>	75,779,483	75,902,310
	Compensation to Victims of Crime Auxiliary Account No. 494	161,349	161,349
	AG Law Enforcement Account No. 5006	507,781	507,780
	Sexual Assault Program Account No. 5010	<u>16,421,755</u>	<u>15,770,445</u>
	Subtotal, General Revenue Fund - Dedicated	\$ 96,281,711	\$ 95,753,227
	Federal Funds	\$ 192,665,366	\$ 193,402,667
	<u>Other Funds</u>		
	Interagency Contracts - Criminal Justice Grants	\$ 1,447,567	\$ 1,447,567
	Appropriated Receipts	37,740,262	37,740,262
	Interagency Contracts	38,928,211	38,928,211
	License Plate Trust Fund Account No. 0802, estimated	<u>31,000</u>	<u>31,000</u>
	Subtotal, Other Funds	\$ 78,147,040	\$ 78,147,040
	<b>Total, Method of Financing</b>	<u>\$ 655,680,515</u>	<u>\$ 612,559,480</u>
	<b>This bill pattern represents an estimated 100% of this agency’s estimated total available funds for the biennium.</b>		
<b>C</b>	<b>Number of Full-Time-Equivalents (FTE):</b>	4,217.5	4,217.5
<b>D</b>	<b>Schedule of Exempt Positions:</b>		
	Attorney General, Group 6	\$153,750	\$153,750
<b>E</b>	<b>Items of Appropriation:</b>		
	<b>A. Goal: PROVIDE LEGAL SERVICES</b>		
	Provide General Legal Services to the State and Authorized Entities.		
	<b>A.1.1. Strategy: LEGAL SERVICES<sup>1</sup></b>	\$ 163,672,077	\$ 120,342,223
	Provide Legal Counsel/Litigation/Alternative Dispute Resolution Svcs.		
	<b>B. Goal: ENFORCE CHILD SUPPORT LAW</b>		
	Enforce State/Federal Child Support Laws.		
	<b>B.1.1. Strategy: CHILD SUPPORT ENFORCEMENT</b>	\$ 330,987,047	\$ 330,987,049
	Establish Paternity/Obligations, Enforce Orders and Distribute Monies.		
	<b>B.1.2. Strategy: STATE DISBURSEMENT UNIT</b>	<u>13,283,404</u>	<u>13,283,407</u>
	<b>Total, Goal B: ENFORCE CHILD SUPPORT LAW</b>	\$ 344,270,451	\$ 344,270,456
	<b>C. Goal: CRIME VICTIMS’ SERVICES</b>		
	Review/Process Applications for Compensation to Crime Victims.		
	<b>C.1.1. Strategy: CRIME VICTIMS’ COMPENSATION<sup>2</sup></b>	\$ 84,859,041	\$ 85,719,168
	Review Claims, Determine Eligibility/State Liability, Pay Correctly.		
<b>F</b>	A813-FSize-up-1-A		
<b>G</b>	I-3		
			October 22, 2021

**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 on the previous page and the Total, Object-of-Expense Informational Listing on this page.

**I** **Object-of-Expense 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. There are 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.

<b>OFFICE OF THE ATTORNEY GENERAL</b> (Continued)		
<b>C.1.2. Strategy:</b> VICTIMS ASSISTANCE Provide Grants & Contracts for Victims Svcs/Sexual Asslt Victims.	40,301,313	39,650,002
<b>Total, Goal C:</b> CRIME VICTIMS' SERVICES	\$ 125,160,354	\$ 125,369,170
<b>D. Goal:</b> REFER MEDICAID CRIMES Investigate/Refer for Prosecution Fraud/Misconduct Involving Medicaid.		
<b>D.1.1. Strategy:</b> MEDICAID INVESTIGATION <sup>1</sup> Conduct Investigation Supporting Prosecution of Alleged Medicaid Crime.	\$ 20,199,854	\$ 20,199,854
<b>E. Goal:</b> GENERAL ADMINISTRATION Administration for OAG.		
<b>E.1.1. Strategy:</b> AGENCY IT PROJECTS Administer Information Technology Projects across the Agency.	\$ 1,570,482	\$ 1,570,480
<b>F. Goal:</b> ADMINISTRATIVE SUPPORT FOR SORM Provide Administrative Support for the State Office of Risk Management.		
<b>F.1.1. Strategy:</b> ADMINISTRATIVE SUPPORT FOR SORM Provide Administrative Support to the State Office of Risk Management.	\$ 807,297	\$ 807,297
<b>Grand Total, OFFICE OF THE ATTORNEY GENERAL</b>	<b>\$ 655,680,515</b>	<b>\$ 612,559,480</b>
<b>Supplemental Appropriations Made in Riders:</b>	\$ 69,216,808	\$ 0
<b>I Object-of-Expense Informational Listing:</b>		
Salaries and Wages	\$ 277,616,082	\$ 277,616,082
Other Personnel Costs	8,245,572	8,242,927
Professional Fees and Services	63,693,451	63,676,171
Fuels and Lubricants	424,161	424,161
Consumable Supplies	1,653,162	1,653,162
Utilities	3,006,888	3,006,888
Travel	5,089,360	5,089,360
Rent - Building	23,698,641	23,698,641
Rent - Machine and Other	1,252,701	1,252,701
Other Operating Expense	284,932,705	172,194,097
Grants	54,457,004	54,805,694
Capital Expenditures	827,596	899,596
<b>Total, Object-of-Expense Informational Listing</b>	<b>\$ 724,897,323</b>	<b>\$ 612,559,480</b>
<b>J Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:</b>		
<u>Employee Benefits</u>		
Retirement	\$ 23,543,953	\$ 23,661,672
Group Insurance	49,789,082	50,461,493
Social Security	18,529,355	18,622,002
Benefits Replacement	209,950	173,838
Subtotal, Employee Benefits	\$ 92,072,340	\$ 92,919,005
<u>Debt Service</u>		
Lease Payments	\$ 123,441	\$ 0
<b>Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act</b>	<b>\$ 92,195,781</b>	<b>\$ 92,919,005</b>
<b>K 1. Performance Measure Targets.</b> <sup>1,2,3</sup> 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.		

**L** An agency’s second rider is its **Capital Budget**. 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 or building construction or repair.

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

**OFFICE OF THE ATTORNEY GENERAL**  
(Continued)

	<u>2022</u>	<u>2023</u>
<b>A. Goal: PROVIDE LEGAL SERVICES</b>		
<b>Outcome (Results/Impact):</b>		
Delinquent State Revenue Collected	50,000,000	50,000,000
<b>A.1.1. Strategy: LEGAL SERVICES</b>		
<b>Output (Volume):</b>		
Legal Hours Billed to Litigation and Legal Counsel	1,118,357	1,122,885
<b>Efficiencies:</b>		
Average Cost Per Legal Hour	146.35	107.17
<b>B. Goal: ENFORCE CHILD SUPPORT LAW</b>		
<b>Outcome (Results/Impact):</b>		
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>B.1.1. Strategy: CHILD SUPPORT ENFORCEMENT</b>		
<b>Output (Volume):</b>		
Amount of Title IV-D Child Support Collected (in Millions)	4,450	4,450
<b>Efficiencies:</b>		
Ratio of Total Dollars Collected Per Dollar Spent	13.42	13.44
<b>B.1.2. Strategy: STATE DISBURSEMENT UNIT</b>		
<b>Output (Volume):</b>		
Number of Payment Receipts Processed by the SDU Vendor	22,657,319	22,657,319
<b>C. Goal: CRIME VICTIMS’ SERVICES</b>		
<b>Outcome (Results/Impact):</b>		
Amount of Crime Victims’ Compensation Awarded	75,454,938	76,315,065
<b>C.1.1. Strategy: CRIME VICTIMS’ COMPENSATION</b>		
<b>Efficiencies:</b>		
Average Number of Days to Analyze a Claim and Make an Award	42	42
<b>D. Goal: REFER MEDICAID CRIMES</b>		
<b>D.1.1. Strategy: MEDICAID INVESTIGATION</b>		
<b>Output (Volume):</b>		
Number of Investigations Concluded	375	500

**L** **2. Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

	<u>2022</u>	<u>2023</u>
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 Consolidation		
(1) Data Center Consolidation	\$ 42,670,032	\$ 42,455,386
Total, Capital Budget	<u>\$ 43,168,032</u>	<u>\$ 43,025,386</u>

**M** 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

**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 appropriations or may provide direction relating to a specific strategy.

**OFFICE OF THE ATTORNEY GENERAL**

(Continued)

<u>Other Funds</u>			
Appropriated Receipts	\$	1,171,677	\$ 1,271,677
Interagency Contracts		<u>132,043</u>	<u>125,691</u>
Subtotal, Other Funds	\$	<u>1,303,720</u>	\$ <u>1,397,368</u>
Total, Method of Financing	\$	<u>43,168,032</u>	\$ <u>43,025,386</u>

**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 and \$808,289 in fiscal year 2023, 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 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.
- d. The Comptroller of Public Accounts is directed to transfer and carry forward all the balances of funds in the Child Support Trust Fund No. 994 and the Child Support Retained Collection Account as of August 31, 2021, as such funds are to be available for use in fiscal year 2022. Any balances in the Child Support Trust Fund No. 994 and the Child Support Retained Collection Account on hand as of August 31, 2022, shall be carried forward in such funds as funding sources for the appropriation for fiscal year 2023.
- e. In addition to the amounts otherwise appropriated for Strategy B.1.1, Child Support Enforcement, all funds received from the federal government as reimbursement for the costs and fees paid to counties, district or county clerks, sheriffs or constables pursuant to the provisions of Chapter 231 of the Texas Family Code are appropriated to the Office of the Attorney General for use during the 2022-23 biennium.

**5. Reporting Requirement.** The Office of the Attorney General is directed to develop and maintain separate accounting information and records on receipts and distribution of funds from the Child Support Trust Fund No. 994 and the Child Support Retained Collection Account. Such information must at a minimum identify all deposits, allocations, and expenditures by type of revenues. The Comptroller of Public Accounts shall prescribe rules and procedures to assure compliance with this section and all transactions and balances shall be reconciled monthly against the records of the Comptroller. In addition to the requirements for annual financial reports

○ For the version of the GAA published with *Fiscal Size-Up*, endnotes are added to explain changes from the conference committee version of the GAA. Typically these changes are from appropriations that previously appeared in Article IX, gubernatorial vetoes of appropriation authority, and other legislation affecting appropriations.

**OFFICE OF THE ATTORNEY GENERAL**  
(Continued)



<sup>1</sup> Incorporates Article IX, §17.46, of this Act, relating to law enforcement officer salary increases, resulting in increases of \$2,092,230 out of General Revenue Funds in each fiscal year of the biennium. Performance Measures are adjusted accordingly.

<sup>2</sup> Incorporates Article IX, §18.21, of this Act, due to enactment of HB 2462, 87th Legislature, Regular Session, relating to the reporting of a sexual assault and to the collection and submission of evidence in respect to that offense, resulting in increases of \$1,724,938 in FY 2022 and \$1,847,765 in FY 2023 out of General Revenue – Dedicated Compensation to Victims of Crime Account No. 469. Performance Measures are adjusted accordingly.

