

# TAX RELIEF AMENDMENT IMPLEMENTATION

## LIMIT ON GROWTH OF CERTAIN STATE APPROPRIATIONS

### LEGAL REFERENCES

The Texas Constitution, Article VIII, Section 22(a), restriction on rate of growth of appropriations, commonly referred to as the spending limit, was established by the passage of a constitutional amendment in 1978. It states that:

In no biennium shall the rate of growth of appropriations from state tax revenues not dedicated by this constitution exceed the estimated rate of growth of the state's economy. The legislature shall provide by general law procedures to implement this subsection.

This provision does not alter, amend, or repeal the Texas Constitution, Article III, Section 49a, known as the pay-as-you-go provision.

To implement this provision of the Texas Constitution, the Sixty-sixth Legislature, 1979, passed Article 9, Chapter 302, Laws 1979 (the Texas Government Code, Chapter 316), which placed with the Legislative Budget Board the responsibility for approval of a limitation on the growth of certain state appropriations. A part of the procedure for approving the limitation is set forth in Sections 316.003 and 316.004 as follows:

Section. 316.003. Before the Legislative Budget Board approves the items of information required by Section 316.002, the board shall publish in the *Texas Register* the proposed items of information and a description of the methodology and sources used in the calculations.

Section. 316.004. Not later than December 1 of each even-numbered year, the Legislative Budget Board shall hold a public hearing to solicit testimony regarding the proposed items of information and the methodology used in making the calculations required by Section 316.002.

These items of information are identified as follows in the Texas Government Code, Section 316.002:

1. the estimated rate of growth of the state's economy from the current biennium to the next biennium;
2. the level of appropriations for the current biennium from state tax revenues not dedicated by the constitution; and
3. the amount of state tax revenues not dedicated by the constitution that could be appropriated for the next biennium within the limit established by the estimated rate of growth of the state's economy.

In this memorandum, each item of information is discussed in this same order.

### ESTIMATED RATE OF GROWTH OF THE STATE'S ECONOMY

A definition of the "estimated rate of growth of the state's economy" is set in the Texas Government Code, Section 316.002(b), in the following words:

(b) Except as provided by Subsection (c), the board shall determine the estimated rate of growth of the state's economy by dividing the estimated Texas total personal income for the next biennium by the estimated Texas total personal income for the current biennium. Using standard statistical methods, the board shall make the estimate by projecting through the biennium the estimated Texas total personal income reported by the United States Department of Commerce or its successor in function.

(c) If a more comprehensive definition of the rate of growth of the state's economy is developed and is approved by the committee established by Section 316.005, the board may use that definition in calculating the limit on appropriations.

The U.S. Commerce Department's Bureau of Economic Analysis defines state personal income as follows:

...the income received by persons from all sources, that is, from participation in production, from both government and business transfer payments, and from government interest. Personal income is the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income, rental income of persons, personal dividend income, personal interest income, and transfer payments, less contributions for social insurance.

Table 1 shows the U.S. Commerce Department's personal income account for Texas for calendar year 2019. The largest component of Texas personal income is wage and salary disbursements, estimated at \$786.7 billion during calendar year 2019. Salary and wage disbursements are added with supplements to wages and salaries, primarily employer contributions to private pensions and welfare funds, and proprietors' income to arrive at total earnings by place of work. Texas total earnings by place of work reached an estimated \$1,152.0 billion in calendar year 2019.

In deriving Texas total personal income, adjustments are made to total earnings by place of work. Personal and employee contributions for social insurance, principally Social Security payroll taxes paid by employees and self-employed individuals, are deducted. A place-of-residence adjustment also is made to reflect the earnings of workers who cross state borders to live or work. Dividends, interest, and rent income are then added, along with transfer payments. The major types of transfer payments include Social Security, various retirement and unemployment insurance benefits, welfare, and disability and health insurance payments. Texas total personal income is estimated to be \$1,531.3 billion for calendar year 2019.

The U.S. Department of Commerce reports personal income estimates by calendar quarter and year. Because the state's fiscal year begins on September 1 and ends August 31, an adjustment is required to present these data on a biennial basis. The Legislative Budget Board uses the data for the first three calendar quarters of a year plus the fourth quarter of the preceding year to represent the state's fiscal year. A biennium is the sum of two fiscal years. Table 2 shows the historical record of the rate of growth in Texas personal income for the past 19 completed biennia, using the data published by the U.S. Department of Commerce.

#### **FORECASTING TEXAS PERSONAL INCOME**

In reviewing standard statistical techniques for forecasting or projecting Texas personal income, the Legislative Budget Board has obtained the latest economic forecasts from the following sources, listed alphabetically: (1) IHS Markit, (2) Moody's Analytics, (3) Perryman Group, (4) Texas A&M University – Department of Economics, and (5) Texas Comptroller of Public Accounts. These forecasts are based on econometric models developed and maintained by the forecasting services listed.

Although each forecasting service approaches the development of economic projections differently, several characteristics are common to the econometric models from which the Texas total personal income estimates are derived. First, each model assumes that the U.S. economy is the driving force behind Texas economic activity. As a result, forecasts of U.S. economic variables are needed to drive each model. Secondly, each of the econometric models is structural in nature, representing certain assumptions about the structure of the Texas economy, consistent with economic theory. Structural models typically entail detailed modeling of key sectors of the state's economy, followed by statistical testing to establish relationships with other sectors of the economy. Previous memoranda published on the constitutional limit include additional discussion of the forecasting methods used and can be found in the following issues of the *Texas Register*: 5 *TexReg* 4272, 7 *TexReg* 3727, 9 *TexReg* 5219, 11 *TexReg* 4590, 13 *TexReg* 4599, 15

*TexReg 6876, 17 TexReg 7702, 19 TexReg 9053, 21 TexReg 10919, 23 TexReg 11472, 25 TexReg 11735, 27 TexReg 10977, 29 TexReg 10612, 31 TexReg 9641, 33 TexReg 9109, 35 TexReg 10081, 37 TexReg 9031, 39 TexReg 9391, 41 TexReg 9360, and 43 TexReg 7571.*

Table 3 shows details of the Texas personal income growth rates of the various forecasting services for the 2022–23 biennium over the 2020–21 biennium. These forecasts range from 5.27 percent to 12.64 percent.

The personal income growth rates shown in Table 3, or any more recent forecasts if available, will be presented to the Legislative Budget Board for its consideration in adopting this item of information. The Board is not limited to one, or any combination of the growth rates, when adopting a Texas personal income growth rate for the 2022–23 biennium.

Table 4 shows the sources and dates for the Texas personal income growth rates presented in Table 3.

### **APPROPRIATIONS FROM STATE TAX REVENUE NOT DEDICATED BY THE CONSTITUTION 2020–21 BIENNIUM**

The amount of appropriations from state tax revenue that are not dedicated by the constitution in the 2020–21 biennium, the base biennium, is the second item of information to be determined by the Legislative Budget Board. As of November 18, 2020, the Legislative Budget Board (LBB) staff estimates this amount to be \$98,782,196,730. This item multiplied by the estimated rate of growth of Texas personal income from the 2020–21 biennium to the 2022–23 biennium produces the limitation on appropriations for the 2022–23 biennium pursuant to the Texas Constitution, Article VIII, Section 22.

### **CALCULATING THE 2022–23 LIMITATION**

The limitation on appropriations of state tax revenue that is not dedicated by the state constitution in the 2022–23 biennium, the third item of information, may be illustrated by selecting a growth rate and applying it to the 2020–21 biennial appropriations base. A change to the 2020–21 biennial appropriations base would result in a corresponding change to the 2022–23 biennial limit.

### **METHOD OF CALCULATING 2020–21 APPROPRIATIONS FROM STATE TAX REVENUE NOT DEDICATED BY THE CONSTITUTION**

As previously stated, LBB staff estimates the amount of appropriations from state tax revenue that are not dedicated by the constitution in the 2020–21 biennium to be \$98,782,196,730. This section details the sources of information used in this calculation.

Total appropriations for the 2020–21 biennium include those made by the Eighty-sixth Legislature, Regular Session, 2019, in House Bill 1, Senate Bill 500, and other legislation affecting appropriations. Any subsequent appropriations made by the Eighty-seventh Legislature, 2021, for the 2020–21 biennium also would be included in total appropriations.

Table 5, Section B, shows General Revenue Funds appropriations, which is the method of finance for general-purpose spending. General Revenue Funds appropriations are financed with revenues in the following General Revenue Funds: General Revenue Fund (Fund No. 0001), Available School Fund (Fund No. 0002), Technology and Instructional Materials Fund (Fund No. 0003), Foundation School Fund (Fund No. 0193), and Tobacco Settlement Fund (Fund No. 5040). Section B shows the total amount of General Revenue Funds appropriations, the amount of appropriations financed from constitutionally dedicated tax revenue, the amount financed from nontax revenue and the remainder—the amount financed from tax revenue that is not dedicated by the constitution—which is the amount subject to the limitation.

#### **I. General Revenue–Related Funds**

A. Appropriations are classified in this table as the following: (1) “estimated to be” line item appropriations, and (2) sum-certain line item appropriations.

1. “Estimated to Be” Line Item Appropriations:

Each of these items under the subheading “estimated to be” may change under certain circumstances. For purposes of this calculation, most fiscal year 2020 amounts are based on actual 2020 expenditures. Most amounts for fiscal year 2021 are taken from House Bill 1, Eighty-sixth Legislature, Regular Session, 2019.

2. Sum-certain Line Item Appropriations:

As calculated in Table 6, the amount shown for “Total Sum Certain Line Item Appropriations” is the difference between total appropriations and the items listed separately as “estimated to be appropriations.” General Revenue Funds appropriations in Table 6 include those made by the Eighty-sixth Legislature, Regular Session, 2019, in House Bill 1, Senate Bill 500, and other legislation affecting appropriations.

B. Source of Funding – General Revenue–Related: Table 5, Part B, shows that of the \$113,576,591,346 of General Revenue Fund appropriations, \$92,157,076,277 is subject to the limitation because it is financed from state tax revenue that is not dedicated by the Constitution.

Constitutionally dedicated state tax revenues deposited into General Revenue Funds are estimated to total \$5,001,691,977 during the 2020–21 biennium. Appropriations from General Revenue Funds financed from nontax revenue are estimated at \$16,417,823,093 for the 2020–21 biennium. Revenue analysis in this calculation applies actual fiscal year 2020 revenue collections and the most recent revenue estimates by the Comptroller of Public Accounts for fiscal year 2021.

II. Appropriations from Funds Outside of General Revenue

Certain tax revenues are deposited into funds and accounts outside of the General Revenue Funds. Appropriations from these funds and accounts financed with state tax revenue that are not dedicated by the constitution are included in this calculation.

The state imposes a sales and use tax on boats and boat motors, of which 95.0 percent is deposited into the General Revenue Funds and the remaining 5.0 percent is deposited into General Revenue–Dedicated Account No. 0009, Game, Fish, and Water Safety. The state imposes an insurance companies maintenance tax, which is deposited into General Revenue–Dedicated Account No. 0036, Texas Department of Insurance.

A portion of the motor vehicles sales tax, franchise tax, and cigarette tax is deposited into the Property Tax Relief Fund (Fund No. 0304). Similarly, sales tax revenue collected by marketplace providers on the sales of taxable items made through the marketplace is deposited to the Tax Reduction and Excellence in Education Fund (Fund No. 0305). The state transfers revenue in the General Revenue Funds to the Economic Stabilization Fund (Fund No. 0599) based on the amount of severance tax collections during the previous year. Most of the transferred revenue is tax revenue.

General Revenue–Dedicated Account No. 5066, Rural Volunteer Fire Department Insurance, includes deposits of taxes on the sales of fireworks. Part of the sales tax and the motor vehicles sales tax is deposited into General Revenue–Dedicated Account No. 5071, Emissions Reduction Plan. In addition, General

Revenue—Dedicated Account No. 5144, Physician Education Loan Repayment, includes deposits of tobacco tax revenue.

**GRAND TOTAL**

A grand total of \$120,834,324,966 in 2020–21 biennial appropriations is included in this analysis. Of this amount, \$5,001,691,977 is financed out of taxes dedicated by the state constitution. Another \$17,050,436,260 is financed out of nontax revenue. The remaining \$98,782,196,730 is financed out of state tax revenue that is not dedicated by the state constitution. This amount serves as the base for calculating the limitation on 2022–23 biennial appropriations from state tax revenue that is not dedicated by the constitution, as required by the Texas Constitution Article VIII, Section 22.

**TABLE 1**  
**U.S. DEPARTMENT OF COMMERCE PERSONAL**  
**INCOME ACCOUNT FOR TEXAS, CALENDAR YEAR 2019**  
 In Millions of Current Dollars

<b>Earnings by Place of Work</b>	<b>Amount</b>	<b>Percent of Total</b>
Wage and Salary Disbursements	\$ 786,698	68.3%
Supplements to Wages and Salaries	165,246	14.3%
Proprietors' Income	<u>200,038</u>	<u>17.4%</u>
Total Earnings by Place of Work	\$1,151,983	100.0%
 <b>Derivation of Total Personal Income</b>		
Earnings by Place of Work (from above)	\$1,151,983	
Less: Personal Contributions for Social Insurance	<i>(60,709)</i>	
Less: Employee Contributions for Social Insurance	<i>(51,676)</i>	
Less: Adjustment for Residence	<u><i>(2,439)</i></u>	
Equals: Net Earnings by Place of Residence	\$1,037,159	67.7%
Plus: Dividends, Interest and Rent	269,602	17.6%
Plus: Personal Current Transfer Receipts	<u>224,585</u>	<u>14.7%</u>
Total Personal Income	\$1,531,346	100.0%

Note: Totals may not add due to rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, September 2020.

**TABLE 2**  
**BIENNIUM-TO-BIENNIUM GROWTH RATES IN TEXAS PERSONAL INCOME**  
**1982-83 TO 2018-19 BIENNIA**

<b>Base Biennium</b>	<b>Target Biennium</b>	<b>Growth Rate</b>	<b>Percent Increase</b>
1980-81	1982-83	1.257	25.7
1982-83	1984-85	1.172	17.2
1984-85	1986-87	1.087	8.7
1986-87	1988-89	1.094	9.4
1988-89	1990-91	1.141	14.1
1990-91	1992-93	1.137	13.7
1992-93	1994-95	1.125	12.5
1994-95	1996-97	1.156	15.6
1996-97	1998-99	1.170	17.0
1998-99	2000-01	1.154	15.4
2000-01	2002-03	1.068	6.8
2002-03	2004-05	1.099	9.9
2004-05	2006-07	1.184	18.4
2006-07	2008-09	1.119	11.9
2008-09	2010-11	1.065	6.5
2010-11	2012-13	1.143	14.3
2012-13	2014-15	1.105	10.5
2014-15	2016-17	1.045	4.5
2016-17	2018-19	1.131	13.1

**TABLE 3**  
ESTIMATED GROWTH RATES FOR TEXAS PERSONAL INCOME  
USING FIVE ECONOMETRIC MODELS  
2020-21 BIENNIUM TO 2022-23 BIENNIUM

<b>Source of Forecast</b>	<b>2022-23 Texas Personal Income Growth Rate</b>
1. IHS Markit	5.27%
2. Moody's Analytics	8.33%
3. Perryman Group	8.14%
4. Texas A&M University, Department of Economics	12.64%
5. Texas Comptroller of Public Accounts	5.30%



**TABLE 4**  
**SUMMARY OF SOURCES AND METHODS FOR**  
**TEXAS PERSONAL INCOME GROWTH RATES FOR THE**  
**2022-23 BIENNIUM**

<b>Source of Forecast</b>	<b>Type of Forecast</b>	<b>Date of Forecast</b>
1. IHS Markit	Econometric	October 2020
2. Moody's Analytics	Econometric	November 2020
3. Perryman Group	Econometric	October 2020
4. Texas A&M University, Department of Economics	Econometric	November 2020
5. Texas Comptroller of Public Accounts	Econometric	October 2020

Source: Compiled by the Legislative Budget Board, November 2020.

**TABLE 5**  
**2020-21 BIENNIAL ADJUSTED APPROPRIATIONS**  
**INCLUDED IN THE CALCULATION OF**  
**THE LIMITATION BASE**

I. General Revenue Related Funds	2020 Expenditures/ 2021 Appropriations
A. Appropriations	
1. "Estimated To Be" Line Item Appropriations in General Appropriations Act, 86th Legislature	
(a) Fiscal Programs - Comptroller of Public Accounts	24,395,021
A.1.1. Strategy: Miscellaneous Claims	
(b) Fiscal Programs - Comptroller of Public Accounts	452,039,212
A.1.2. Reimbursement - Beverage Tax	
(c) Fiscal Programs - Comptroller of Public Accounts	17,487,026
A.1.4. County Taxes - University Lands	
(d) Fiscal Programs - Comptroller of Public Accounts	584,583,731
A.1.6. Unclaimed Property	
(e) Fiscal Programs - Comptroller of Public Accounts	26,212,470
A.1.10 Gross Weight/Axle Fee Distribution	
(f) Funds Appropriated to the Comptroller for Social Security and BRP	1,315,484,308
A.1.1. Strategy: State Match - Employer (GR Portion) & A.1.2 Benefit Replacement Pay (GR Portion)	
(g) Employees Retirement System	3,827,584,287
A. Goal: Administer Retirement Program (GR Portion) & B. Goal: Provide Health Program (GR Portion)	
(h) Secretary of State	2,820,121
B.1.5. Strategy: Financing Voter Registration	
(i) Department of State Health Services	1,232,539
C.1.4. Strategy: TEXAS.GOV	
(j) Health and Human Services Commission	58,816,733
Medicaid Program Income No. 705	
(k) Health and Human Services Commission	1,530,573,232
Vendor Drug Rebates—Medicaid No. 706	
(l) Health and Human Services Commission	9,700,449
Premium Co-Payments, Low Income Children No. 3643	
(m) Health and Human Services Commission	20,589,050
Vendor Drug Rebates—Public Health No. 8046	
(n) Health and Human Services Commission	811,939
Experience Rebates-CHIP No. 8054	
(o) Health and Human Services Commission	9,582,233
Vendor Drug Rebates-CHIP No. 8070	
(p) Health and Human Services Commission	663,235
Cost Sharing - Medicaid Clients No. 8075	
(q) Health and Human Services Commission	125,861,390

**TABLE 5**  
**2020-21 BIENNIAL ADJUSTED APPROPRIATIONS**  
**INCLUDED IN THE CALCULATION OF**  
**THE LIMITATION BASE**

	Vendor Drug Rebates-Supplemental Rebates No. 8081 (Rev Code 3565)	
(r)	Health and Human Services Commission H.4.1. Strategy: TEXAS.GOV	231,950
(s)	Texas Education Agency B.3.6. Strategy: Certification Exam Administration	29,234,104
(t)	Teacher Retirement System A.1.1. Strategy: TRS - Public Education Retirement (GR Portion)	3,747,127,583
(u)	Teacher Retirement System A.1.2. Strategy: TRS - Higher Education Retirement (GR Portion)	310,736,697
(v)	Teacher Retirement System A.2.1. Strategy: Retiree Health - Statutory Funds	817,158,423
(w)	Optional Retirement Program A.1.1. Strategy: Optional Retirement Program (GR Portion)	211,698,164
(x)	Department Of Housing And Community Affairs E.1.4. Strategy: TEXAS.GOV	21,725
(y)	Behavioral Health Executive Council A.1.2. Strategy: TEXAS.GOV	135,249
(z)	Board Of Chiropractic Examiners A.1.2. Strategy: TEXAS.GOV	43,960
(aa)	Texas State Board Of Dental Examiners A.2.2. Strategy: TEXAS.GOV	431,299
(ab)	Funeral Service Commission A.1.2. Strategy: TEXAS.GOV	60,998
(ac)	Board Of Professional Geoscientists A.1.2. Strategy: TEXAS.GOV	33,490
(ad)	Department Of Insurance (GR Portion) A.3.2. Strategy: TEXAS.GOV	10,540
(ae)	Board Of Professional Land Surveying A.1.3. Strategy: TEXAS.GOV	18,435
(af)	Department Of Licensing And Regulation A.1.5. Strategy: TEXAS.GOV	1,301,454
(ag)	Texas Board of Nursing A.1.2. Strategy: TEXAS.GOV	1,146,792
(ah)	Optometry Board A.1.2. Strategy: TEXAS.GOV	43,400
(ai)	Optometry Board A.1.3. Strategy: National Practitioner Data Bank	18,184

**TABLE 5**  
**2020-21 BIENNIAL ADJUSTED APPROPRIATIONS**  
**INCLUDED IN THE CALCULATION OF**  
**THE LIMITATION BASE**

(aj)	Board Of Pharmacy A.1.2. Strategy: TEXAS.GOV	454,956
(ak)	Executive Council Of Physical Therapy & Occupational Therapy Examiners A.1.2. Strategy: TEXAS.GOV	370,029
(al)	Board Of Plumbing Examiners A.1.2. Strategy: TEXAS.GOV	297,168
(am)	Board Of Examiners Of Psychologists A.1.2. Strategy: TEXAS.GOV	46,828
(an)	Board Of Veterinary Medical Examiners A.1.2. Strategy: TEXAS.GOV	68,284
(ao)	Multiple Agencies: Earned Federal Funds Sec. 13.11. Definition, Appropriation, Reporting and Audit of Earned Federal Funds	176,421,512
(ap)	Adjustment for Texas Education Agency, Property Tax Relief Fund Revenue	(248,139,873)
(aq)	Adjustment for Texas Education Agency, Tax Reduction and Excellence in Education Fund Revenue	(958,000,000)
(ar)	Adjustment for Texas Education Agency, Attendance Credit Revenue	(728,210,321)
(as)	Adjustment for Texas Education Agency, Increased Property Values	(1,737,643,976)
(at)	Adjustment for Texas Education Agency, CARES Act Offset	(1,100,000,000)
(au)	Adjustment for Teacher Retirement System, Settle-up for TRS-Care	321,838,584
	Subtotal, "Estimated to Be" Line Items (Expended/ Appropriated)	<u>\$8,855,392,613</u>
2.	Total Sum-certain Line Item Appropriations (Appropriated)	<u>\$104,721,198,733</u>
	TOTAL General Revenue Related Fund Appropriations, <i>adjusted for 2020 estimated amounts</i>	<u>\$113,576,591,346</u>

**TABLE 5**  
**2020-21 BIENNIAL ADJUSTED APPROPRIATIONS**  
**INCLUDED IN THE CALCULATION OF**  
**THE LIMITATION BASE**

	Total	Constitutionally	Non Tax	State Tax
	<u>Appropriations</u>	<u>Dedicated State</u>	<u>Revenues</u>	<u>Revenue Not</u>
		<u>Tax Revenues</u>		<u>Dedicated by the</u>
				<u>Constitution</u>
B. Source of Funding - General Revenue Related				
1. Occupation Taxes	\$3,244,907,957	\$3,244,907,957	\$0	\$0
2. Motor Fuel Taxes	1,797,449,882	1,756,784,019	-	40,665,863
3. Education Revenues	6,715,840,022	-	6,715,840,022	-
4. Insurance Maintenance Tax	288,131,113	-	-	288,131,113
5. Hotel Tax	110,246,223	-	-	110,246,223
6. Sporting Good Sales Tax	350,697,267	-	-	350,697,267
7. Appropriations from Other Revenue	101,069,318,882	-	9,701,983,071	91,367,335,810
 SUBTOTAL(General Revenue Related)	 <u>\$113,576,591,346</u>	 <u>\$5,001,691,977</u>	 <u>\$16,417,823,093</u>	 <u>\$92,157,076,277</u>
II. Appropriations from Funds Outside of GR				
1. Account 0009 – Game, Fish, and Water Safety	\$218,536,307	\$0	\$211,044,387	\$7,491,920
2. Account 0036 – Texas Department of Insurance Operating	133,863,742	-	129,856,752	4,006,990
3. Fund 0304 – Property Tax Relief Fund	4,049,944,244	-	2,119,827	4,047,824,417
4. Fund 0305 – Tax Reduction and Excellence in Education Fund	1,508,000,000	-	-	1,508,000,000
5. Fund 0599 – Economic Stabilization Fund	1,163,000,000	-	187,751,554	975,248,446
6. Account 5066 – Rural Volunteer Fire Department Insurance	3,405,000	-	-	3,405,000
7. Account 5071 – Emissions Reduction Plan	155,634,327	-	101,840,647	53,793,680
8. Account 5144 - Physician Education Loan Repayment Program	25,350,000	-	-	25,350,000
 GRAND TOTAL	 <u>\$120,834,324,966</u>	 <u>\$5,001,691,977</u>	 <u>\$17,050,436,260</u>	 <u>\$98,782,196,730</u>

**TABLE 6**  
**CALCULATION OF "SUM CERTAIN LINE ITEMS APPROPRIATIONS"**  
**FOR THE 2020-21 BIENNIUM**

	<u>2020</u>	<u>2021</u>	<u>2020-21</u>
<b>General Revenue Funds "Recap" Amount</b>	\$59,926,599,198	\$58,386,886,496	\$118,313,485,694
Less "Estimated to Be" Items:			
<b>Fiscal Programs - Comptroller of Public Accounts</b>			
A.1.1. Strategy: Miscellaneous Claims (HB1, Article I-22)	13,000,000	13,000,000	26,000,000
<b>Fiscal Programs - Comptroller of Public Accounts</b>			
A.1.2. Reimbursement - Beverage Tax (HB1, Article I-23)	239,591,000	253,264,000	492,855,000
<b>Fiscal Programs - Comptroller of Public Accounts</b>			
A.1.4. County Taxes - University Lands (HB1, Article I-23)	7,283,504	8,464,204	15,747,708
<b>Fiscal Programs - Comptroller of Public Accounts</b>			
A.1.6. Unclaimed Property (HB1, Article I-23)	275,000,000	275,000,000	550,000,000
<b>Fiscal Programs - Comptroller of Public Accounts</b>			
A.1.10 Gross Weight/Axle Fee Distribution  (HB1, Article I-24)	17,000,000	17,000,000	34,000,000
<b>Funds Appropriated to the Comptroller for Social Security and BRP</b>			
A.1.1. Strategy: State Match - Employer (GR Portion) & A.1.2 Benefit Replacement Pay (GR Portion) (HB1, Article I-29)	657,665,818	662,829,982	1,320,495,800
<b>Employees Retirement System</b>			
A. Goal: Administer Retirement Program (GR Portion) & B. Goal: Provide Health Program (GR Portion) (HB1, Article I-35)	1,942,298,833	1,966,627,928	3,908,926,761
<b>Secretary of State</b>			
B.1.5. Strategy: Financing Voter Registration	4,777,500	1,000,000	5,777,500

**TABLE 6**  
**CALCULATION OF "SUM CERTAIN LINE ITEMS APPROPRIATIONS"**  
**FOR THE 2020-21 BIENNIUM**

	<u>2020</u>	<u>2021</u>	<u>2020-21</u>
(HB1, Article I-90)			
<b>Department of State Health Services</b>			
C.1.4. Strategy: TEXAS.GOV (HB1, Article II-22)	701,301	701,299	1,402,600
<b>Health and Human Services Commission</b>			
Medicaid Program Income No. 705 (HB1, Article II-35)	50,000,000	50,000,000	100,000,000
<b>Health and Human Services Commission</b>			
Vendor Drug Rebates—Medicaid No. 706 (HB1, Article II-35)	814,054,747	825,318,416	1,639,373,163
<b>Health and Human Services Commission</b>			
Premium Co-Payments, Low Income Children No. 3643 (HB1, Article II-35)	5,636,431	6,055,993	11,692,424
<b>Health and Human Services Commission</b>			
Vendor Drug Rebates—Public Health No. 8046 (HB1, Article II-35)	12,026,551	12,026,551	24,053,102
<b>Health and Human Services Commission</b>			
Experience Rebates-CHIP No. 8054 (HB1, Article II-35)	224,228	578,011	802,239
<b>Health and Human Services Commission</b>			
Vendor Drug Rebates-CHIP No. 8070 (HB1, Article II-35)	2,781,678	5,228,022	8,009,700
<b>Health and Human Services Commission</b>			
Cost Sharing - Medicaid Clients No. 8075 (HB1, Article II-35)	200,000	200,000	400,000
<b>Health and Human Services Commission</b>			
Vendor Drug Rebates-Supplemental Rebates No. 8081 (Rev Code 3565) (HB1, Article II-35)	65,019,260	66,380,100	131,399,360
<b>Health and Human Services Commission</b>			
H.4.I. Strategy: TEXAS.GOV (HB1, Article II-38)	123,140	123,140	246,280
<b>Texas Education Agency</b>			

**TABLE 6**  
**CALCULATION OF "SUM CERTAIN LINE ITEMS APPROPRIATIONS"**  
**FOR THE 2020-21 BIENNIUM**

	<u>2020</u>	<u>2021</u>	<u>2020-21</u>
B.3.6. Strategy: Certification Exam Administration (HB1, Article III-2)	18,761,222	18,761,223	37,522,445
<b>Teacher Retirement System</b>			
A.1.1. Strategy: TRS - Public Education Retirement (GR Portion) (HB1, Article III-36)	1,838,552,963	1,908,574,620	3,747,127,583
<b>Teacher Retirement System</b>			
A.1.2. Strategy: TRS - Higher Education Retirement (GR Portion) (HB1, Article III-36)	151,093,244	159,554,466	310,647,710
<b>Teacher Retirement System</b>			
A.2.1. Strategy: Retiree Health - Statutory Funds (HB1, Article III-36)	430,408,362	448,951,215	879,359,577
<b>Optional Retirement Program</b>			
A.1.1. Strategy: Optional Retirement Program (GR Portion) (HB1, Article III-41)	122,024,371	121,204,367	243,228,738
<b>Department Of Housing And Community Affairs</b>			
E.1.4. Strategy: TEXAS.GOV (HB1, Article VII-2)	19,120	19,120	38,240
<b>Behavioral Health Executive Council</b>			
A.1.2. Strategy: TEXAS.GOV (HB1, Article VIII-4)	0	135,244	135,244
<b>Board Of Chiropractic Examiners</b>			
A.1.2. Strategy: TEXAS.GOV (HB1, Article VIII-6)	29,850	29,850	59,700
<b>Texas State Board Of Dental Examiners</b>			
A.2.2. Strategy: TEXAS.GOV (HB1, Article VIII-8)	250,000	250,000	500,000
<b>Funeral Service Commission</b>			
A.1.2. Strategy: TEXAS.GOV (HB1, Article VIII-10)	46,500	46,500	93,000
<b>Board Of Professional Geoscientists</b>			
A.1.2. Strategy: TEXAS.GOV	25,000	25,000	50,000



**TABLE 6**  
**CALCULATION OF "SUM CERTAIN LINE ITEMS APPROPRIATIONS"**  
**FOR THE 2020-21 BIENNIUM**

	<u>2020</u>	<u>2021</u>	<u>2020-21</u>
(HB1, Article VIII-11)			
<b>Department Of Insurance (GR Portion)</b>			
A.3.2. Strategy: TEXAS.GOV (HB1, Article VIII-17)	6,520	6,520	13,040
<b>Board Of Professional Land Surveying</b>			
A.1.3. Strategy: TEXAS.GOV (HB1, Article VIII-26)	17,150	0	17,150
<b>Department Of Licensing And Regulation</b>			
A.1.5. Strategy: TEXAS.GOV (HB1, Article VIII-28)	650,000	650,000	1,300,000
<b>Texas Board of Nursing</b>			
A.1.2. Strategy: TEXAS.GOV (HB1, Article VIII-37)	594,902	594,903	1,189,805
<b>Optometry Board</b>			
A.1.2. Strategy: TEXAS.GOV (HB1, Article VIII-40)	21,230	19,770	41,000
<b>Optometry Board</b>			
A.1.3. Strategy: National Practitioner Data Bank (HB1, Article VIII-40)	9,092	9,092	18,184
<b>Board Of Pharmacy</b>			
A.1.2. Strategy: TEXAS.GOV (HB1, Article VIII-42)	251,106	251,106	502,212
<b>Executive Council Of Physical Therapy &amp; Occupational Therapy Examiners</b>			
A.1.2. Strategy: TEXAS.GOV (HB1, Article VIII-44)	206,500	206,500	413,000
<b>Board Of Plumbing Examiners</b>			
A.1.2. Strategy: TEXAS.GOV (HB1, Article VIII-46)	155,000	155,000	310,000
<b>Board Of Examiners Of Psychologists</b>			
A.1.2. Strategy: TEXAS.GOV (HB1, Article VIII-48)	37,000	0	37,000
<b>Board Of Veterinary Medical Examiners</b>			
A.1.2. Strategy: TEXAS.GOV	40,000	40,000	80,000

**TABLE 6**  
**CALCULATION OF "SUM CERTAIN LINE ITEMS APPROPRIATIONS"**  
**FOR THE 2020-21 BIENNIUM**

	<u>2020</u>	<u>2021</u>	<u>2020-21</u>
(HB1, Article VIII-61)			
<b>Multiple Agencies: Earned Federal Funds</b>			
Sec. 13.11. Definition, Appropriation, Reporting and Audit of Earned Federal Funds (HB1, Article IX-66)	49,186,638	49,235,058	98,421,696
Subtotal, Estimated Appropriations	<u>\$6,719,769,761</u>	<u>\$6,872,517,200</u>	<u>\$13,592,286,961</u>
Total Sum-certain Line Item Appropriations	<u>\$53,206,829,437</u>	<u>\$51,514,369,296</u>	<u>\$104,721,198,733</u>