



LEGISLATIVE BUDGET BOARD

Summary of Conference Committee Report for Senate Bill 1

Appropriations for the 2018–19 Biennium

SUBMITTED TO THE 85TH TEXAS LEGISLATURE

PREPARED BY LEGISLATIVE BUDGET BOARD STAFF

MAY 2017

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INTRODUCTION

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

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

The Legislature uses four methods of finance to appropriate funds to state agencies and public institutions of higher education: General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, and Other Funds. **All Funds** is the summation of these 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 more than 200 accounts within the General Revenue Fund that are dedicated for specific purposes by statute or the funds-consolidation process. For example, Clean Air Account No. 151 is funded primarily through a portion of motor vehicle inspection fees and a portion of air pollution control fees. These revenues are statutorily dedicated to the Texas Commission on Environmental Quality to provide funding for various air quality, monitoring, and permitting programs;
- **Federal Funds** include grants, allocations, payments, or reimbursements received from the federal government by state agencies and institutions. The largest portion of federal funding appropriations are for the Medicaid program in Article II. Other examples of Federal Funds appropriations include the Title I Grants to Local Educational Agencies, the 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 not included in the General Revenue Fund (dedicated or not) or Federal Funds. Examples of Other Funds appropriations 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.

The Introduction chapter of the Summary provides a high-level overview of the General Appropriations Bill. **Figures 1 to 14** provide the total appropriations for the 2018–19 biennium by each method of finance for each article in the bill compared to the 2016–17 biennium expenditure and budgeted level of funding. The chapter includes highlights of major funding items or significant policy or fiscal issues across the state and examples of factors affecting the state budget, including budget drivers such as correctional population or public school daily attendance.

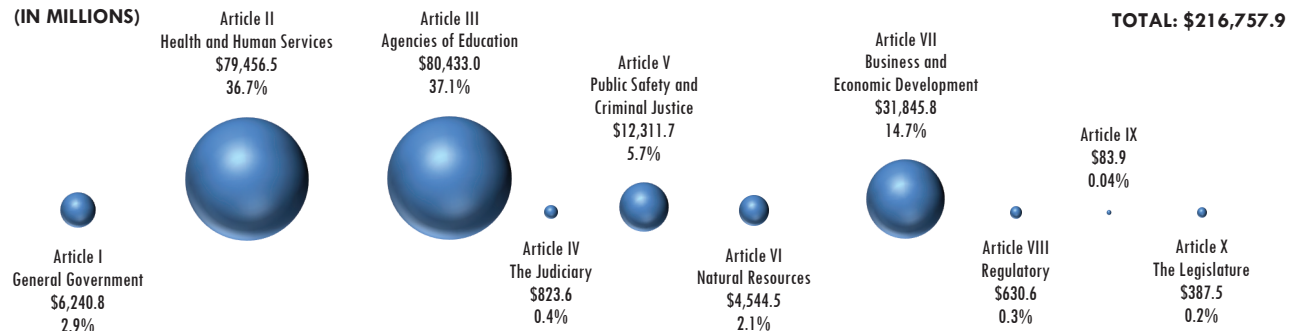
The Introduction chapter also provides additional context for understanding the General Appropriations Bill, including trends in state government expenditures, an explanation of constitutional spending limits, insights into the Economic Stabilization Fund (i.e., the Rainy Day Fund), and the Texas Economic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

Following the Introduction chapter are article-specific tables, including estimated and budgeted expenditures by agency for the current biennium (2016–17), the recommended agency appropriation levels for the biennium in the 2018–19 General Appropriations Bill, and full-time-equivalent positions for the article.

Finally, the Summary includes two appendices. Appendix A provides a reader's guide to the General Appropriations Bill so that first-time users can better understand how to read the actual bill and make sense of the budget structure, performance measures, and riders. Appendix B provides a comparison point between versions of the General Appropriations Bill as the Legislature progresses through the budget deliberations. This comparison enables readers to identify differences between chamber bills, or a specific chamber's changes.

FUNDING BY ARTICLE

FIGURE 1
FUNDING BY ARTICLE, ALL FUNDS



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

FIGURE 2
FUNDING BY ARTICLE, ALL FUNDS

(IN MILLIONS)

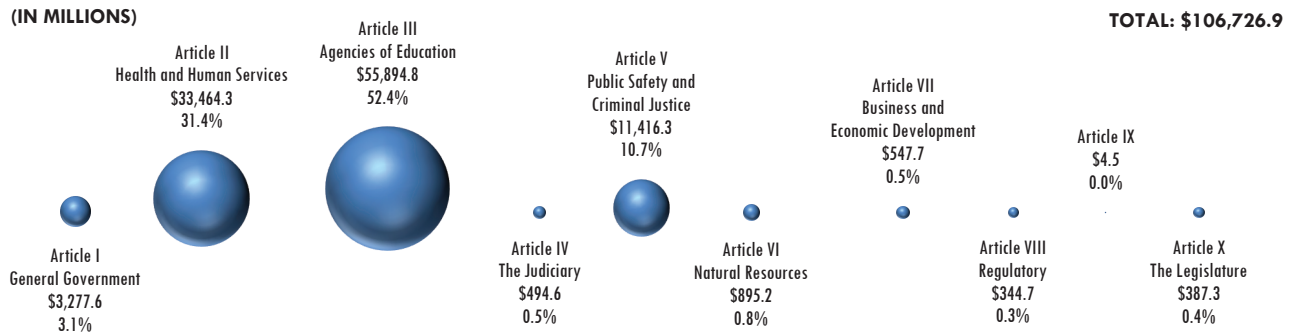
ALL FUNCTIONS	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$7,043.9	\$6,240.8	(\$803.2)	(11.4%)
Article II – Health and Human Services	\$81,280.1	\$79,456.5	(\$1,823.6)	(2.2%)
Article III – Agencies of Education	\$79,148.6	\$80,433.0	\$1,284.4	1.6%
<i>Public Education</i>	\$58,895.8	\$59,944.8	\$1,049.1	1.8%
<i>Higher Education</i>	\$20,252.8	\$20,488.2	\$235.4	1.2%
Article IV – Judiciary	\$813.3	\$823.6	\$10.3	1.3%
Article V – Public Safety and Criminal Justice	\$12,575.5	\$12,311.7	(\$263.7)	(2.1%)
Article VI – Natural Resources	\$4,530.2	\$4,544.5	\$14.2	0.3%
Article VII – Business and Economic Development	\$29,649.6	\$31,845.8	\$2,196.2	7.4%
Article VIII – Regulatory	\$956.4	\$630.6	(\$325.8)	(34.1%)
Article IX – General Provisions	\$0.0	\$83.9	\$83.9	N/A
Article X – Legislature	\$400.9	\$387.5	(\$13.3)	(3.3%)
Total, All Articles	\$216,398.5	\$216,757.9	\$359.4	0.2%

NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 3
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS



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

FIGURE 4
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS

(IN MILLIONS)

ALL FUNCTIONS	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$3,315.6	\$3,277.6	(\$38.0)	(1.1%)
Article II – Health and Human Services	\$33,575.3	\$33,464.3	(\$111.1)	(0.3%)
Article III – Agencies of Education	\$56,291.6	\$55,894.8	(\$396.8)	(0.7%)
<i>Public Education</i>	\$41,593.5	\$40,957.6	(\$635.9)	(1.5%)
<i>Higher Education</i>	\$14,698.1	\$14,937.2	\$239.1	1.6%
Article IV – Judiciary	\$503.3	\$494.6	(\$8.7)	(1.7%)
Article V – Public Safety and Criminal Justice	\$11,606.6	\$11,416.3	(\$190.3)	(1.6%)
Article VI – Natural Resources	\$818.4	\$895.2	\$76.8	9.4%
Article VII – Business and Economic Development	\$1,162.6	\$547.7	(\$614.9)	(52.9%)
Article VIII – Regulatory	\$337.1	\$344.7	\$7.5	2.2%
Article IX – General Provisions	\$0.0	\$4.5	\$4.5	N/A
Article X – Legislature	\$400.8	\$387.3	(\$13.4)	(3.4%)
Total, All Articles	\$108,011.4	\$106,726.9	(\$1,284.4)	(1.2%)

NOTES:

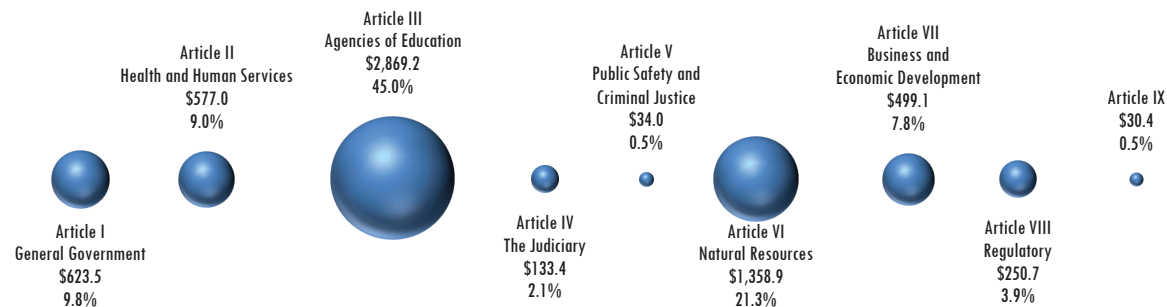
- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 5
FUNDING BY ARTICLE, GENERAL REVENUE—DEDICATED FUNDS

(IN MILLIONS)

TOTAL: \$6,376.3



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

FIGURE 6
FUNDING BY ARTICLE, GENERAL REVENUE—DEDICATED FUNDS

(IN MILLIONS)

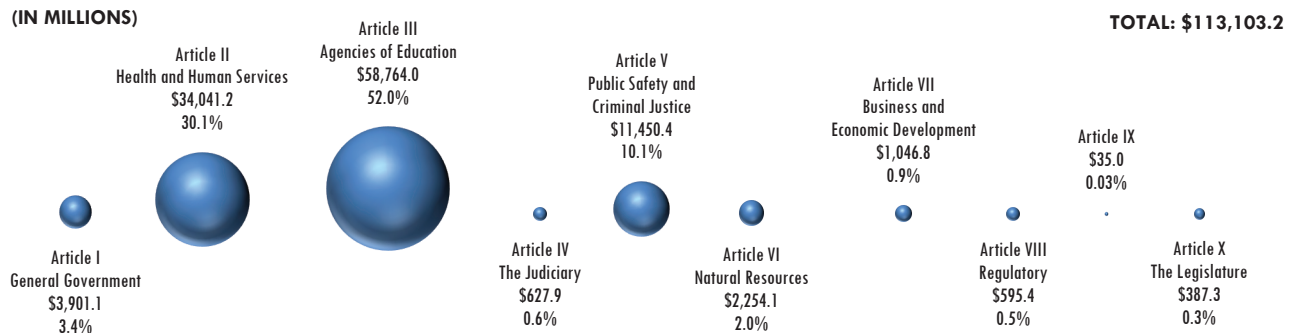
ALL FUNCTIONS	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$1,056.0	\$623.5	(\$432.5)	(41.0%)
Article II – Health and Human Services	\$1,172.4	\$577.0	(\$595.4)	(50.8%)
Article III – Agencies of Education	\$2,913.0	\$2,869.2	(\$43.8)	(1.5%)
<i>Public Education</i>	\$0.0	\$0.0	\$0.0	N/A
<i>Higher Education</i>	\$2,913.0	\$2,869.2	(\$43.8)	(1.5%)
Article IV – Judiciary	\$143.2	\$133.4	(\$9.9)	(6.9%)
Article V – Public Safety and Criminal Justice	\$132.2	\$34.0	(\$98.2)	(74.3%)
Article VI – Natural Resources	\$1,503.4	\$1,358.9	(\$144.5)	(9.6%)
Article VII – Business and Economic Development	\$505.9	\$499.1	(\$6.7)	(1.3%)
Article VIII – Regulatory	\$577.8	\$250.7	(\$327.1)	(56.6%)
Article IX – General Provisions	\$0.0	\$30.4	\$30.4	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A
Total, All Articles	\$8,003.8	\$6,376.3	(\$1,627.6)	(20.3%)

NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

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



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

SOURCE: Legislative Budget Board.

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

(IN MILLIONS)

ALL FUNCTIONS	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$4,371.6	\$3,901.1	(\$470.4)	(10.8%)
Article II – Health and Human Services	\$34,747.7	\$34,041.2	(\$706.5)	(2.0%)
Article III – Agencies of Education	\$59,204.7	\$58,764.0	(\$440.6)	(0.7%)
<i>Public Education</i>	\$41,593.5	\$40,957.6	(\$635.9)	(1.5%)
<i>Higher Education</i>	\$17,611.2	\$17,806.4	\$195.2	1.1%
Article IV – Judiciary	\$646.5	\$627.9	(\$18.6)	(2.9%)
Article V – Public Safety and Criminal Justice	\$11,738.8	\$11,450.4	(\$288.4)	(2.5%)
Article VI – Natural Resources	\$2,321.8	\$2,254.1	(\$67.7)	(2.9%)
Article VII – Business and Economic Development	\$1,668.5	\$1,046.8	(\$621.7)	(37.3%)
Article VIII – Regulatory	\$914.9	\$595.4	(\$319.6)	(34.9%)
Article IX – General Provisions	\$0.0	\$35.0	\$35.0	N/A
Article X – Legislature	\$400.8	\$387.3	(\$13.4)	(3.4%)
Total, All Articles	\$116,015.2	\$113,103.2	(\$2,912.0)	(2.5%)

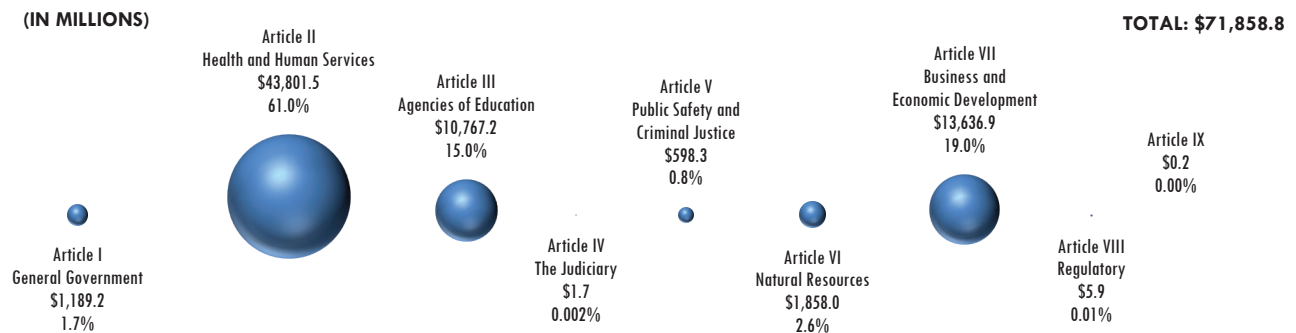
NOTES:

(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.

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

SOURCE: Legislative Budget Board.

FIGURE 9
FUNDING BY ARTICLE, FEDERAL FUNDS



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

FIGURE 10
FUNDING BY ARTICLE, FEDERAL FUNDS

(IN MILLIONS)

ALL FUNCTIONS	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$1,005.3	\$1,189.2	\$183.9	18.3%
Article II – Health and Human Services	\$45,857.1	\$43,801.5	(\$2,055.7)	(4.5%)
Article III – Agencies of Education	\$10,497.2	\$10,767.2	\$270.0	2.6%
<i>Public Education</i>	\$10,217.9	\$10,491.6	\$273.7	2.7%
<i>Higher Education</i>	\$279.3	\$275.7	(\$3.6)	(1.3%)
Article IV – Judiciary	\$3.3	\$1.7	(\$1.6)	(48.7%)
Article V – Public Safety and Criminal Justice	\$647.0	\$598.3	(\$48.7)	(7.5%)
Article VI – Natural Resources	\$1,860.8	\$1,858.0	(\$2.8)	(0.2%)
Article VII – Business and Economic Development	\$12,326.1	\$13,636.9	\$1,310.8	10.6%
Article VIII – Regulatory	\$8.6	\$5.9	(\$2.8)	(32.2%)
Article IX – General Provisions	\$0.0	\$0.2	\$0.2	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A
Total, All Articles	\$72,205.5	\$71,858.8	(\$346.7)	(0.5%)

NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 11
FUNDING BY ARTICLE, OTHER FUNDS

(IN MILLIONS)



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

FIGURE 12
FUNDING BY ARTICLE, OTHER FUNDS

(IN MILLIONS)

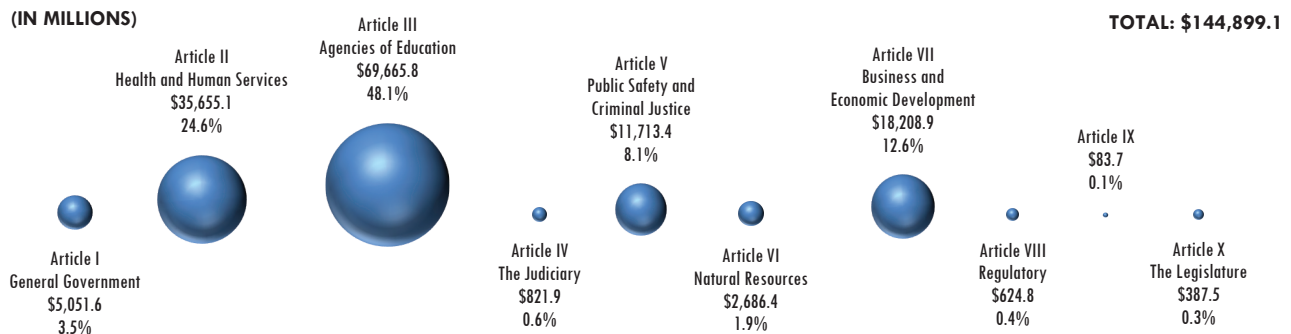
ALL FUNCTIONS	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$1,667.1	\$1,150.5	(\$516.6)	(31.0%)
Article II – Health and Human Services	\$675.3	\$1,613.8	\$938.6	139.0%
Article III – Agencies of Education	\$9,446.7	\$10,901.7	\$1,455.0	15.4%
<i>Public Education</i>	\$7,084.4	\$8,495.7	\$1,411.3	19.9%
<i>Higher Education</i>	\$2,362.3	\$2,406.1	\$43.8	1.9%
Article IV – Judiciary	\$163.5	\$194.0	\$30.5	18.6%
Article V – Public Safety and Criminal Justice	\$189.6	\$263.1	\$73.4	38.7%
Article VI – Natural Resources	\$347.6	\$432.3	\$84.7	24.4%
Article VII – Business and Economic Development	\$15,655.1	\$17,162.1	\$1,507.1	9.6%
Article VIII – Regulatory	\$32.8	\$29.4	(\$3.4)	(10.4%)
Article IX – General Provisions	\$0.0	\$48.7	\$48.7	N/A
Article X – Legislature	\$0.1	\$0.2	\$0.1	97.2%
Total, All Articles	\$28,177.7	\$31,795.9	\$3,618.1	12.8%

NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

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



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

SOURCE: Legislative Budget Board.

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

(IN MILLIONS)

ALL FUNCTIONS	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$6,038.6	\$5,051.6	(\$987.0)	(16.3%)
Article II – Health and Human Services	\$35,423.0	\$35,655.1	\$232.1	0.7%
Article III – Agencies of Education	\$68,651.4	\$69,665.8	\$1,014.4	1.5%
<i>Public Education</i>	\$48,677.9	\$49,453.3	\$775.4	1.6%
<i>Higher Education</i>	\$19,973.4	\$20,212.5	\$239.1	1.2%
Article IV – Judiciary	\$810.0	\$821.9	\$11.9	1.5%
Article V – Public Safety and Criminal Justice	\$11,928.4	\$11,713.4	(\$215.0)	(1.8%)
Article VI – Natural Resources	\$2,669.4	\$2,686.4	\$17.0	0.6%
Article VII – Business and Economic Development	\$17,323.5	\$18,208.9	\$885.4	5.1%
Article VIII – Regulatory	\$947.7	\$624.8	(\$323.0)	(34.1%)
Article IX – General Provisions	\$0.0	\$83.7	\$83.7	N/A
Article X – Legislature	\$400.9	\$387.5	(\$13.3)	(3.3%)
Total, All Articles	\$144,192.9	\$144,899.1	\$706.1	0.5%

NOTES:

(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.

(2) Excludes Interagency Contracts.

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

SOURCE: Legislative Budget Board.

HIGHLIGHTS OF COMMITTEE CONFERENCE REPORT FOR SENATE BILL 1

For the 2018–19 biennium, funding includes the following key budget items:

FOUNDATION SCHOOL PROGRAM

- Foundation School Program (FSP) funding for the 2018–19 biennium includes \$38.1 billion in state funds (including General Revenue Funds and Property Tax Relief Funds), and \$42.7 billion in All Funds. This funding level fully funds what is estimated to be required to meet the current law FSP entitlement, and also includes funding for settle-up and other school district payment adjustments. State funding represents a net increase of \$273.6 million in program funding, resulting from an estimated \$1.4 billion increase in Other Funds and a \$1.1 billion decrease in General Revenue Funds. The Other Funds increase is attributable to projected increases in revenues from the Property Tax Relief Fund and from recapture payments. The bill contains a \$300.0 million contingency FSP appropriation for a distribution authorized by the General Land Office from the Permanent School Fund to the Available School Fund. Additionally, included in the General Revenue Funds amount is \$75.0 million for school districts experiencing rapid property value decline and \$47.5 million for the New Instructional Materials Allotment.

MEDICAID

- Funding of \$62.4 billion in All Funds, including \$25.6 billion in General Revenue Funds and \$0.2 billion in General Revenue–Dedicated Funds, is provided for the Texas Medicaid program. This amount is a biennial reduction of \$1.9 billion in All Funds, including \$0.4 billion in General Revenue Funds.
- Included in these amounts is \$57.4 billion in All Funds for Medicaid client services, \$1.7 billion in All Funds for programs supported by Medicaid funding, and \$3.3 billion in All Funds for administration of the Medicaid program and other programs supported by Medicaid funding. The reduction in Medicaid funding is due to decreases of \$1.3 billion in All Funds in Medicaid client services, \$0.6 billion in All Funds in administrative funding, and \$0.1 billion in All Funds for other programs supported by Medicaid funding.
- Funding for Medicaid client services supports caseload growth at fiscal year 2017 average costs for most services in fiscal year 2018. Fiscal year 2019 funding is maintained at the fiscal year 2018 level for each method of financing. The only exception to this level of funding is for long-term-care waivers, which are maintained at the August 2017 level throughout the 2018–19 biennium except for the Texas Home Living (TxHmL) and Home and Community-based Services (HCS) waivers. An additional 735 HCS waiver slots for promoting independence are funded by the end of fiscal year 2019. TxHmL slots are assumed to continue declining throughout the 2018–19 biennium. Funding levels include amounts to restore approximately 25.0 percent of reductions made to therapy reimbursement rates in the 2016–17 biennium and to phase in reductions associated with reimbursement policy for therapy assistants. Funding levels for the 2018–19 biennium assume \$1.0 billion in All Funds (\$0.4 billion in General Revenue Funds) in cost containment for Medicaid client services, which includes amounts related to reducing risk margin for Medicaid managed care, and includes specific direction to the Health and Human Services Commission (HHSC) to contain costs and execute savings.
- Funding amounts for the 2016–17 biennium for Medicaid include supplemental funding for fiscal year 2017 provided in House Bill 2.

CHILD PROTECTIVE SERVICES

- Funding of \$3.5 billion in All Funds, including \$2.0 billion in General Revenue Funds, is provided for Child Protective Services (CPS) functions at the Department of Family and Protective Services (DFPS). This amount is an increase of \$508.5 million in All Funds and \$399.9 million in General Revenue Funds from the 2016–17 biennial base. This funding level includes \$60.2 million contingent on passage of certain legislation.
- The following amounts are included in CPS funding to improve agency performance related to the average caseload per CPS caseworker and CPS caseworker retention, and to ensure the safety of children:

- \$292.8 million in All Funds to maintain 828.8 full-time-equivalent (FTE) positions and salary increases provided in fiscal year 2017 to address critical needs in the CPS program; and
- \$88.0 million in All Funds to support an additional 509.5 caseworker positions in fiscal year 2018 and 597.9 caseworker positions in fiscal year 2019.
- Funding includes an increase of \$94.9 million in All Funds and \$28.0 million in General Revenue Funds to further support foster care payments, including funding to increase rates for foster care services providers in the legacy and redesigned systems, and to expand Foster Care Redesign to three additional regions by the end of fiscal year 2019.
- Funding includes an increase of \$1.2 million in General Revenue Funds to the Preparation for Adult Living Purchased Services Program to expand the aid provided to foster care youth transitioning into independent living.
- Funding includes an increase of \$6.4 million in All Funds to continue Permanency Care Assistance payments into the 2018–19 biennium, contingent upon enactment of Senate Bill 203, or similar legislation, by the Eighty-fifth Legislature, Regular Session, 2017.
- Funding includes an increase of \$32.5 million in All Funds to expand Relative Caregiver payments for the 2018–19 biennium, contingent upon enactment of House Bill 4, or similar legislation, by the Eighty-fifth Legislature, Regular Session, 2017.
- DFPS entitlement program funding for CPS services, including funds contingent upon enactment of legislation previously identified, totals \$1.6 billion in All Funds and \$0.7 billion in General Revenue Funds, including:
 - \$940.5 million in All Funds and \$381.5 million in General Revenue Funds, for the Foster Care Payment Program;
 - \$568.4 million in All Funds and \$288.6 million in General Revenue Funds, for the Adoption Subsidy and Permanency Care Assistance Payment Programs; and
 - \$77.6 million in All Funds and \$23.5 million in General Revenue Funds, for the Relative Caregiver Program.
- Funding includes a total of \$142.7 million in All Funds and \$91.5 million in General Revenue Funds for the direct delivery of services in Day Care Purchased Services Program.

TRANSPORTATION

- Funding includes \$26.6 billion in All Funds provided for all functions of the Department of Transportation; this includes \$2.9 billion in funding from anticipated state sales tax deposits to the State Highway Fund (SHF) associated with voter approval of Proposition 7 in November 2015; \$2.5 billion in funding from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014); and all available SHF from traditional transportation tax and fee revenue sources (estimated to be \$8.8 billion for the 2018–19 biennium).
- Funding of \$23.0 billion in All Funds is provided for highway planning and design, right-of-way acquisition, construction, and maintenance and preservation. The All Funds amount includes \$9.7 billion for maintenance and preservation of the existing transportation system; \$4.5 billion for construction and highway improvements; \$2.3 billion from Proposition 7, 2015, proceeds and \$2.5 billion from Proposition 1, 2014, proceeds for constructing, maintaining, and acquiring rights-of-way for non-tolled public roadways; \$2.3 billion for transportation system planning, design, and management; and \$1.7 billion for right-of-way acquisition.
- Funding provides \$2.3 billion in All Funds for debt service payments and other financing costs, including \$1.6 billion in Other Funds from the SHF and Texas Mobility Fund; \$0.6 billion in Other Funds from Proposition 7, 2015, SHF proceeds for general obligation bond debt service, replacing General Revenue Funds for this purpose (decrease of \$0.5 billion in General Revenue Funds); and \$0.1 billion in Federal Funds from Build America Bond interest payment subsidies.

BEHAVIORAL HEALTH

- Funding includes \$4.0 billion in All Funds (\$2.9 billion in General Revenue Funds and General Revenue–Dedicated Funds) for non-Medicaid behavioral health services and related expenditures. Funding supports programs at 18 agencies across 6 articles, and includes funding for inpatient client services at the state hospitals and community hospitals; outpatient services provided through Local Mental Health Authorities; substance abuse prevention, intervention, and treatment services for adults and children; mental health care and substance abuse treatment for incarcerated offenders; mental health care services for veterans; and a variety of other services.
- Funding includes \$62.6 million in All Funds for the biennium to address the current and projected waitlists for community mental health services for adults and children, \$69.0 million in General Revenue in contingency funding for several bills that would provide grants to community entities for behavioral health services and expand access to peer supports for individuals with mental illness, \$10.3 million to increase maximum security forensic bed capacity at the North Texas State Hospital – Vernon Campus, and \$24.8 million to maintain purchased inpatient bed capacity and state hospital bed capacity. In addition, funding includes \$300.0 million from the Economic Stabilization Fund (ESF) for new construction and significant repair projects at the state hospitals and other inpatient mental health facilities, and approximately \$66.3 million in ESF for immediate maintenance needs at the state hospitals.
- Estimated Medicaid expenditures for behavioral health services total \$3.5 billion in All Funds for the 2018–19 biennium and estimated CHIP expenditures total \$48.7 million in All Funds. These amounts include cost growth for both programs that is not funded and Medicaid caseload growth in fiscal year 2019, which is also not funded. Total behavioral health funding including estimated Medicaid and CHIP expenditures is estimated to be \$7.6 billion in All Funds for the biennium.

HIGHER EDUCATION FUNDING

- Higher education formulas are supported by \$7.2 billion in General Revenue Funds and \$1.5 billion in General Revenue–Dedicated Funds for statutory tuition. Included in this amount are decreases of \$2.9 million in General Revenue Funds and an increase of \$0.1 billion in General Revenue–Dedicated Funds, which is primarily statutory tuition. Additionally, the funding replaces \$1.1 billion in All Funds for special item funding in the 2016–17 biennium with \$0.9 billion in funding for nonformula support items at all institution types.
- The general academic institutions (GAI) Instruction and Operations (I&O) formula rate increases from \$55.39 to \$55.82, and the Lamar State Colleges (LSC) I&O formula 2016–17 biennial rate is maintained. The Texas State Technical Colleges (TSTC) I&O formula level of General Revenue Funds is maintained at the 2016–17 biennial funding level. Hold harmless funding of \$145.5 million in General Revenue Funds is also included for the GAIs, LSCs, and TSTCs. Additionally, formula appropriations include Infrastructure Support for two new TSTCs established by the Eighty-fourth Legislature, 2015: Texas State Technical College North Texas and Texas State Technical College Fort Bend County.
- The health related institutions (HRI) formula appropriations include the addition of new medical schools at The University of Texas at Austin and The University of Texas Rio Grande Valley. Although all HRI formulas either receive an increase in General Revenue Funds or maintain 2016–17 biennial levels of this funding, each formula rate decreases from the 2016–17 biennial level. Hold harmless funding of \$35.3 million in General Revenue Funds is, therefore, also included HRI appropriations.
- Formula funding for the public community and junior colleges includes an additional \$18.0 million in General Revenue Funds for core operations and an additional \$10.8 million in General Revenue Funds for success points funding. The contact hour rate increases to \$2.70 from the 2016–17 biennial rate of \$2.69.
- A new rider is added to Special Provisions Relating Only to State Agencies of Higher Education that establishes a special joint legislative committee in the interim to prepare recommendations to realign and/or possibly eliminate nonformula support items, and to consider funding modifications for institutions of higher education.

ADULT INCARCERATION

- Funding of \$6.6 billion in All Funds is provided for the incarceration, probation, and parole of adult offenders in the Texas Department of Criminal Justice, which includes housing, security, classification, food and necessities, healthcare, and treatment services. This amount includes an All Funds decrease of \$285.4 million for the 2018–19 biennium. Funding levels include the following:
 - a \$128.6 million decrease for the transfer of state contributions for Community Supervision and Corrections Department health insurance to the Employees Retirement System;
 - \$40.0 million for deferred maintenance, a \$20.0 million decrease from 2016–17 biennial levels;
 - a \$49.5 million decrease for the closure of correctional facilities;
 - a \$7.9 million decrease to fund community supervision and parole to align with Legislative Budget Board population projections; and
 - \$4.8 million increase to fund pretrial diversion.
- Funding for Correctional Managed Health Care totals \$1.1 billion, which represents a \$70.4 million decrease from the 2016–17 biennial funding level. Cost containment strategies include:
 - a \$60.9 million increase to expand unit infirmary capacity and retain unit nursing staff, which is estimated to result in a \$68.0 million cost avoidance related to hospital costs and correctional officer and nurse overtime;
 - a \$30.0 million decrease to transition University of Texas Medical Branch (UTMB) Hospital at Galveston's reimbursement rate from Tax Equity and Financial Responsibility Act methodology to Standard Dollar Amount methodology with an add-on for Graduate Medical Education; and
 - a \$13.7 million decrease to cap indirect administrative charges at 2.75 percent for UTMB and Texas Tech University Health Sciences Center.

BORDER SECURITY

- Funding includes \$800.0 million in state funds for border security at the Department of Public Safety (DPS), Trusteed Programs within the Office of the Governor, the Texas Parks and Wildlife Department, the Texas Alcoholic Beverage Commission, the Texas Commission on Law Enforcement, the Office of the Attorney General, the Texas Soil and Water Conservation Board, the Department of Motor Vehicles, and the Department of Criminal Justice.
- The majority of this funding (\$694.3 million in General Revenue Funds and General Revenue–Dedicated Funds) is provided to DPS, \$445.7 million of which is in the agency's bill pattern for Goal B, Secure Texas. Other goals in the DPS budget contain additional funding for border security-related functions and activities (\$248.6 million). This funding maintains support for DPS personnel at fiscal year 2017 full deployment levels, eliminates funding for onetime and transitional expenditures, and adds additional personnel to the border security initiative. Significant funding items include the following:
 - \$97.1 million to recruit, train, equip, and deploy 250 new troopers and 126.1 support FTE positions to the border region by the end of the 2018–19 biennium;
 - \$7.0 million for equipment, including cameras and related technology, associated with Operation Drawbridge;
 - \$8.8 million to fund costs for extraordinary operations associated with Operation Secure Texas;
 - \$3.2 million to establish a law enforcement operations center in the border region;
 - \$145.6 million for a 50-hour work week for all DPS commissioned law enforcement officers; and

- \$133.4 million to fund the full biennial costs of the 22 Texas Rangers (\$9.5 million), 250 troopers (\$123.9 million), and 115 support staff added by the Eighty-fourth Legislature, 2015.
- Funding for border security at agencies other than DPS includes the following:
 - \$52.7 million at Trusteed Programs within the Office of the Governor for grants to local entities and other support;
 - \$33.0 million at the Texas Parks and Wildlife Department for game warden activity;
 - \$3.0 million at the Texas Soil and Water Conservation Board to remove carrizo cane from certain areas of the border region; and
 - funding for investigations, prosecutions, and other border security-related activities across several state agencies.

TEACHER RETIREMENT AND HEALTH BENEFITS

- Funding of \$4.0 billion in All Funds is provided for the state contribution to retirement benefits of the Teacher Retirement System (TRS), including \$3.9 billion in General Revenue Funds, \$97.5 million in General Revenue–Dedicated Funds, and \$8.3 million in Other Funds (Teacher Retirement System Pension Trust Fund). Funding reflects a state contribution rate of 6.8 percent of employee payroll during each year of the 2018–19 biennium. Funding assumes an annual payroll growth rate of 3.5 percent for public education and growth of 2.9 percent for higher education for each fiscal year of the biennium, based on payroll trend data.
- Retiree health insurance funding includes \$997.6 million in General Revenue Funds, an increase of \$416.7 million, or 71.7 percent, from the 2016–17 biennial base funding level. This funding provides for an increase of the statutorily required state contribution to TRS-Care from 1.0 percent to 1.25 percent of public education payroll, and for a onetime appropriation of additional funds to cover the remainder of the projected TRS-Care shortfall for the 2018–19 biennium, contingent on the passage of House Bill 3976, or similar legislation relating to TRS Retiree Health, by the Eighty-fifth Legislature, Regular Session, 2017. This contingent appropriation accounts for \$350.0 million of the biennial increase, after cost-containment savings are considered. Also contingent on the enactment of House Bill 3976 or similar legislation, the school district contribution rate is increased from 0.55 percent to 0.75 percent of public education payroll.

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR

- Funding for Trusteed Programs within the Office of the Governor totals \$1,199.2 million in All Funds for the 2018–19 biennium, an increase of \$10.9 million, or 0.9 percent, from the 2016–17 biennium.
- Funding of \$155.0 million in Economic Stabilization Funds includes \$110.0 million for disaster grants, \$25.0 million for grants to law enforcement agencies for bullet resistant personal body armor, and \$20.0 million for Defense Economic Adjustment Assistance Grants to military communities.
- Funding for economic development and jobs creation is reflected in the new Strategy C.1.1 Create Jobs and Promote Texas, which combines the funding associated with the previous strategies for Economic Development, Tourism, Film and Music Marketing, the Texas Enterprise Fund, Military Preparedness, and the University Research Initiative. Funding in the new Strategy for various economic development programs totals \$317.0 million in All Funds for the 2018–19 biennium, including specific amounts identified as follows:
 - \$86.0 million in estimated unexpended balances remaining at the end of fiscal year 2017 in the Texas Enterprise Fund for incentive grants. The funding reflects a decrease of \$22.0 million from the 2016–17 biennium level, in the General Revenue–Dedicated account.
 - \$22.0 million in General Revenue Funds for Film and Music Marketing. The funding is contingent on certification by the Comptroller that unexpended balances are available out of other economic development funds appropriated

to the Trusted Programs within the Office of the Governor in an amount sufficient to offset the cost of the appropriation.

- \$15.6 million for the Governor's University Research Initiative, including \$10 million in General Revenue Funds and \$5.6 million in estimated unexpended balances remaining at the end of fiscal year 2017 and estimated revenues in the 2018–19 biennium from the Governor's University Research Initiative Fund.
- Funding includes an increase of \$159.2 million in Federal Funds primarily related to an increase in the federal allocation of Crime Victims Assistance grants.

STATE FACILITIES

- The bill appropriates \$946.3 million (\$777.7 million from the Economic Stabilization Fund, \$86.6 million in General Revenue Funds and General Revenue–Dedicated Funds, and \$80.0 million from the State Highway Fund) for projects to address the repair, renovation, and new construction of state facilities and historic sites, in order to address health and safety issues, maintenance, and other state needs. Among the major funded projects are:
 - \$300.0 million at HHSC for new construction and repair at state hospitals and other inpatient mental health facilities;
 - \$160.0 million at HHSC to address critical health and safety needs at State Supported Living Centers and state hospitals;
 - \$117.9 million at the Facilities Commission for emergency repairs and deferred maintenance at state facilities;
 - \$80.0 million at the Department of Transportation for deferred maintenance and Austin campus consolidation;
 - \$75.0 million at the General Land Office for the preservation of the Alamo and surrounding complex;
 - \$66.2 million at the Parks and Wildlife Department, including \$49.2 million for weather-related construction and \$17.0 million for maintenance needs at state parks;
 - \$40.0 million at the Department of Criminal Justice and \$12.1 million at the Juvenile Justice Department for health and safety projects; and
 - \$20.2 million at the Historical Commission for courthouse preservations grants, and \$6.4 million for historic sites.

INFORMATION TECHNOLOGY

- Additional funding is included in Articles I to VIII for cybersecurity and other information technology projects, including \$17.6 million to 17 agencies to deploy to the Centralized Accounting and Payroll/Processing System (CAPPS), and \$0.5 million for six agencies to transition to voice over Internet protocol phone systems.

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

- Funding includes \$1.3 billion in All Funds (\$982.1 million in General Revenue Funds and General Revenue–Dedicated Funds) provided for the state contribution to the Employees Retirement System (ERS) retirement program. This amount reflects an increase of \$40.4 million in All Funds (\$34.1 million in General Revenue Funds and General Revenue–Dedicated Funds) for state employees' retirement benefits. Funding provides for a 9.5 percent state contribution rate each fiscal year of the 2018–19 biennium. This 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).
- Funding provides \$4.0 billion in All Funds (\$2.9 billion in General Revenue Funds and General Revenue–Dedicated Funds) for the state contribution for group insurance benefits for general state employees, retirees, and their dependents.

The funding provides an annual 0.8 percent increase in the state's contribution due to targeted healthcare cost savings measures and spend-down from the contingency reserve fund. Combined, these changes reflect a net increase of \$362.4 million in All Funds (\$279.9 million in General Revenue Funds and General Revenue–Dedicated Funds) from the 2016–17 biennium.

- Funding includes targeted cost savings measures such as disincentivizing the use of freestanding Emergency Rooms, maximizing benefit coordination with Medicare, and directing ERS to reduce its contracted provider rates with health related institutions. These measures total \$97.9 million in All Funds (\$61.0 million in General Revenue Funds and General Revenue–Dedicated Funds), of which \$86.1 million is reduced from Employees Retirement System Group Insurance appropriations and \$11.8 million is reduced from Higher Education Group Insurance appropriations.
- Funding decisions assume that ERS will also partially spend down the contingency reserve fund, leaving an estimated \$175.0 million in balances at the end of fiscal year 2019. Appropriation amounts also assume that retiree membership will grow by 4.7 percent annually and FTE position changes at certain state agencies.
- The state's contribution (\$129.5 million in General Revenue Funds) for local Community Supervision and Correctional Department (CSCD) officers' group health insurance is appropriated to ERS instead of to the Department of Criminal Justice (TDCJ), contingent upon final passage of House Bill 1526, Eighty-fifth Legislature, 2017.
- Appropriations of \$1.8 billion in All Funds (\$1.5 billion in General Revenue Funds and General Revenue–Dedicated Funds) are provided for the state contribution for Social Security payroll taxes for employees of state agencies and institutions of higher education. Funding is sufficient to provide the 6.2 percent Social Security employer contribution and the 1.45 percent Medicare employer contribution. Funding also provides for 2.9 percent and 3.0 percent annual payroll growth for fiscal years 2018 and 2019, respectively, for higher education employees.
- Funding provides for 215,486.7 FTE positions for fiscal year 2018, and 215,766.0 positions for fiscal year 2019. The number of FTE positions for fiscal year 2019 is an overall decrease of 1,503.2, or 0.7 percent, from fiscal year 2017 budgeted levels. Higher education, health and human services, and public safety and criminal justice agencies had slight decreases to FTE position levels, and remaining areas of the budget had position increases from fiscal year 2017 to fiscal year 2019.

DEBT SERVICE

- The 2018–19 biennium fully funds debt service and totals \$4.3 billion in All Funds. The funding of \$2.1 billion for fiscal year 2018 and \$2.2 billion for fiscal year 2019 reflects a decrease of \$261.1 million, or 5.7 percent from the 2016–17 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 Water Development Board, the Department of Transportation, and the Office of the Governor. Funding also provides for reimbursement of debt service payments for tuition revenue bonds issued by various institutions.

ECONOMIC STABILIZATION FUND

- Appropriations include \$988.9 million from the Economic Stabilization Fund for the 2018–19 biennium, and are identified in Article IX, Section 17.16. After appropriations, the cash balance of the fund plus the total asset value of investments are estimated to be \$10.9 billion at the end of fiscal year 2019.

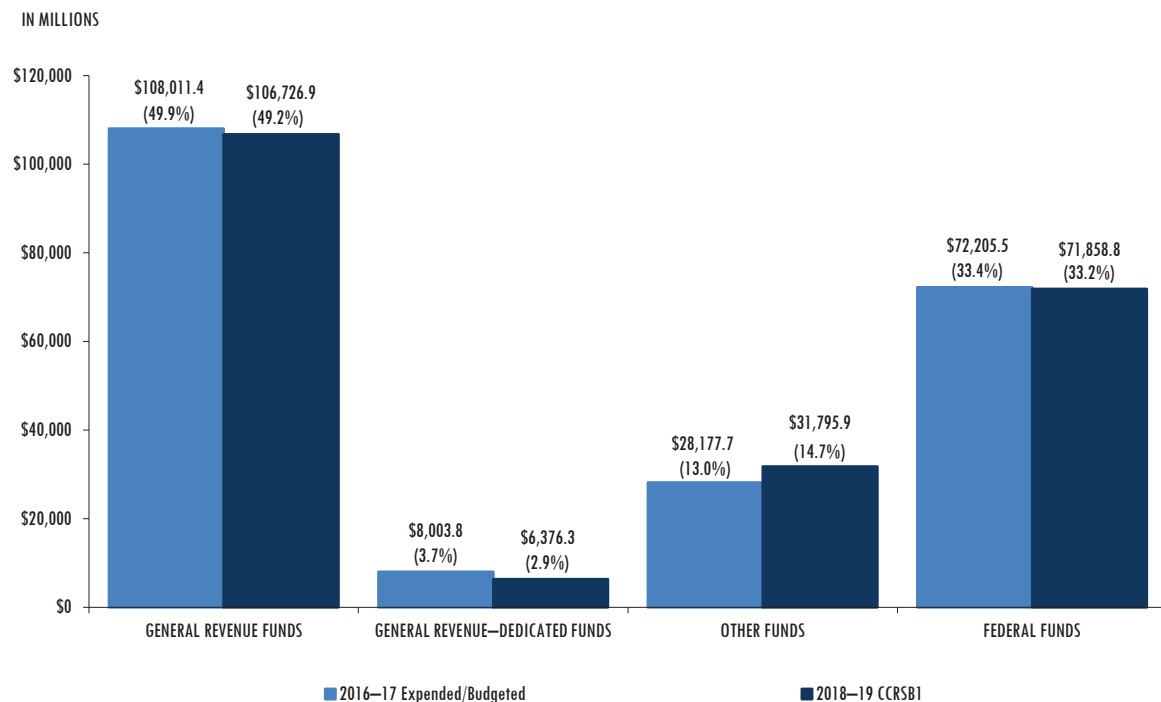
STRATEGIC FISCAL REVIEW

- Sixteen state agencies were subject to the Strategic Fiscal Review (SFR) in preparation for the Eighty-fifth Legislature, 2017. The SFR provided an in-depth analysis of the selected state agency programs and their relationships to the agencies' missions and statutes. Legislative Budget Board staff analysis resulting from this review was made available to the members of the Legislature to aid in their budget and policy deliberations.

BIENNIAL COMPARISON BY FUND SOURCE

Figure 15 compares biennial amounts for each of the four fund sources, or methods of finance, in the state budget. Estimated and budgeted amounts for the 2016–17 biennium refer to agency-estimated expenditures in fiscal 2016 and agency-budgeted amounts in fiscal 2017. The 2018–19 Conference Committee Report for Senate Bill 1 refers to biennial amounts contained in this summary’s version of the 2018–19 General Appropriations Bill. Percentage amounts in each column reflect the percentage of the entire biennial budget represented by that fund source.

FIGURE 15
BIENNIAL COMPARISON BY FUND SOURCE BETWEEN 2016–17 ESTIMATED/BUDGETED AND 2018–19 COMMITTEE SUBSTITUTE FOR SENATE BILL 1



NOTE: Other Funds excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

FACTORS AFFECTING THE STATE BUDGET

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

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

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

FIGURE 16
POPULATION BASED INDICATORS
FISCAL YEARS 2002 TO 2016

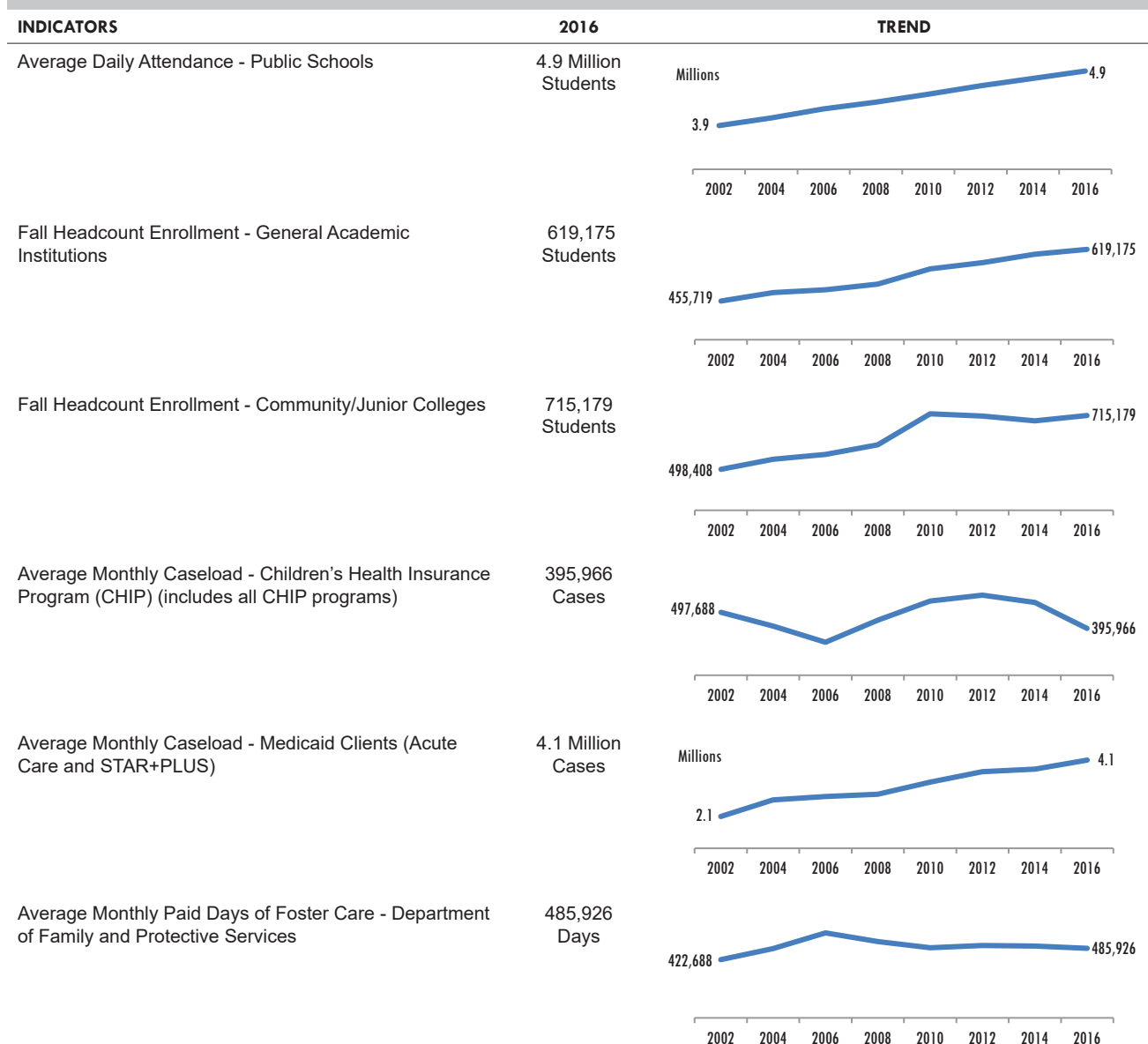
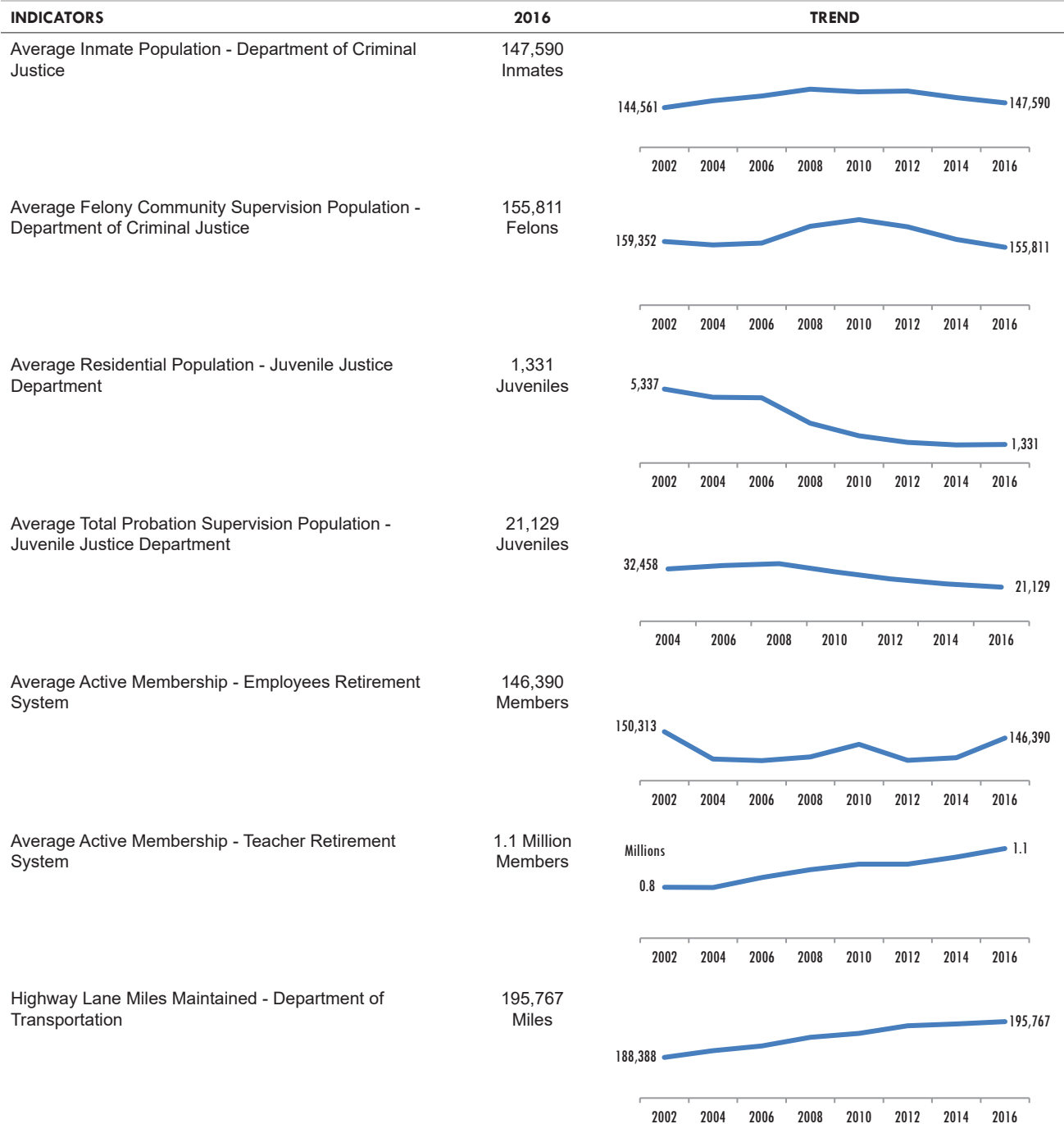


FIGURE 16 (CONTINUED)
POPULATION BASED INDICATORS
FISCAL YEARS 2002 TO 2016



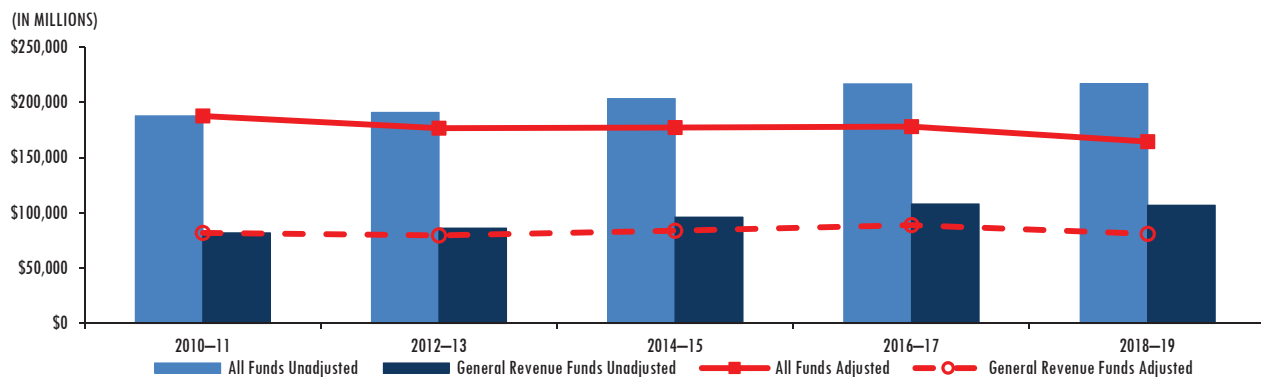
SOURCE: Legislative Budget Board.

TRENDS IN STATE GOVERNMENT EXPENDITURES

Figure 17 shows biennial All Funds and General Revenue Funds expenditures and appropriations since the 2010–11 biennium. The figures also adjust current and historical expenditure and appropriation totals into 2010–11 dollars based on compounded population and inflation growth. All Funds expenditures increased by 15.6 percent from the 2010–11 to 2018–19 biennia, but decreased 12.3 percent after adjusting for population and inflation. General Revenue Funds appropriations increased by 30.3 percent during the same period, but decreased by 1.2 percent when adjusted.

FIGURE 17
TRENDS IN STATE GOVERNMENT EXPENDITURES, 2018–19 BIENNIAL APPROPRIATIONS IN COMMITTEE SUBSTITUTE FOR SENATE BILL 1

(IN MILLIONS)	ALL FUNDS				GENERAL REVENUE FUNDS			
			ADJUSTED FOR POPULATION AND INFLATION				ADJUSTED FOR POPULATION AND INFLATION	
	UNADJUSTED				UNADJUSTED			
FISCAL BIENNIUM	AMOUNT	PERCENTAGE CHANGE	AMOUNT	PERCENTAGE CHANGE	AMOUNT	PERCENTAGE CHANGE	AMOUNT	PERCENTAGE CHANGE
2010–11	\$187,517	N/A	\$187,517	N/A	\$81,931	N/A	\$81,931	N/A
2012–13	\$190,755	1.7%	\$176,515	(5.9%)	\$86,016	5.0%	\$79,595	(2.9%)
2014–15	\$203,301	6.6%	\$177,101	0.3%	\$96,073	11.7%	\$83,692	5.1%
2016–17	\$216,398	6.4%	\$177,970	0.5%	\$108,011	12.4%	\$88,831	6.1%
2018–19	\$216,758	0.2%	\$164,416	(7.6%)	\$106,727	(1.2%)	\$80,955	(8.9%)

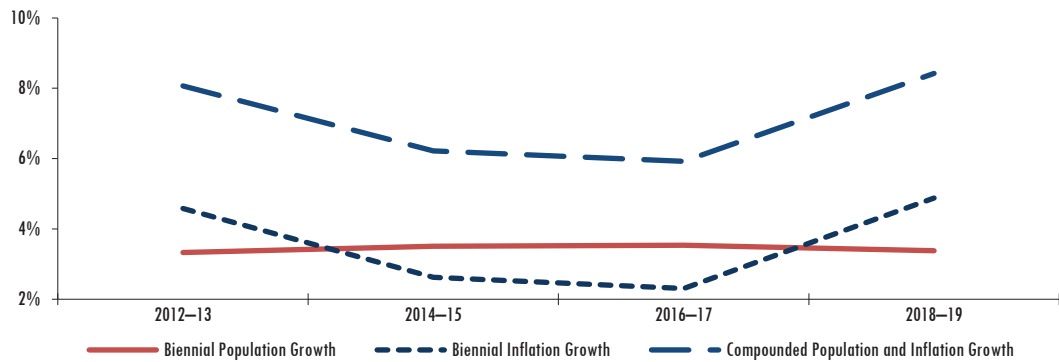


SOURCE: Legislative Budget Board.

Population and inflation is one tool used to compare budget growth; however, it does not tie directly to government budget drivers. For example, inflation tracks the increased price of consumer goods such as groceries. Inflation of governmental services, such as education and healthcare, tend to grow faster than the price of consumer goods.

The compounded population and inflation growth in this figure is based on data in the Comptroller's Fall 2016 Economic Forecast as published in the 2018–19 *Biennial Revenue Estimate*, and identified in **Figure 18**, which included a biennial growth rate of 8.42 percent from 2016–17 to 2018–19. Population and inflation growth estimates submitted to the Legislative Budget Board in advance of the November 2016 LBB Board meeting ranged from 7.73 percent to 8.73 percent.

FIGURE 18
BIENNIAL POPULATION AND INFLATION GROWTH FROM 2012–13 TO 2018–19



SOURCE: Texas Comptroller of Public Accounts.

LIMITS ON APPROPRIATIONS

Texas has four Constitutional limits on spending: the balanced budget limit, which is commonly referred to as the “pay-as-you-go limit;” the limit on the rate of growth of appropriations from certain state taxes, commonly referred to as the “spending limit;” the limit on welfare spending; and the limit on tax-supported debt. The 2018–19 biennial appropriations made in the Conference Committee Report for Senate Bill 1 are within all of these limits in conjunction with other legislation anticipated to be passed by the Eighty-fifth Legislature, 2017.

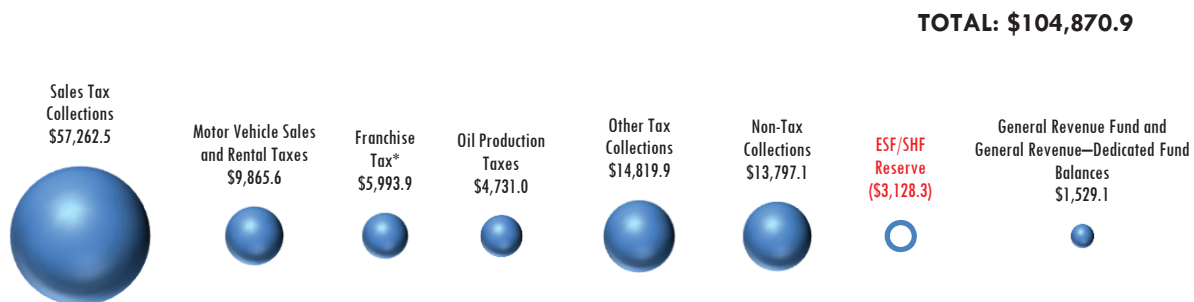
The pay-as-you-go limit and the spending limit both restrict appropriations, but in different ways. The pay-as-you-go limit prohibits the General Revenue Fund budget from exceeding available revenue. The spending limit prohibits appropriations funded with tax revenues not dedicated by the Constitution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

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

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

The CPA identifies the pay-as-you-go limit for General Revenue Funds appropriations as \$104.9 billion in the BRE. This total includes estimated 2018–19 biennial General Revenue Funds revenue collections of \$106.5 billion, less the amount of \$3.1 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 Fund balance and General Revenue–Dedicated Funds account balances available for certification totaling \$1.5 billion (**Figure 19**). Legislative actions increasing or decreasing revenue collections will change the total amount of revenue available.

FIGURE 19
COMPONENTS OF THE PAY-AS-YOU-GO LIMIT, 2018–19 BIENNIUM



NOTE: General Revenue Fund portion.
SOURCE: Legislative Budget Board.

By contrast, the amount of revenue available for the Eighty-fourth Legislature, 2015, under the pay-as-you-go limit identified in the 2015 BRE was \$113.0 billion.

The \$104.9 billion in available revenue applies to 2018–19 biennial General Revenue Funds appropriations and to fiscal year 2017 supplemental General Revenue Funds appropriations. Consequently, supplemental General Revenue Funds appropriations for fiscal year 2017 proportionately reduced General Revenue Funds spending capacity for the 2018–19 biennium. Other actions will increase available revenue for certification relative to the \$104.9 billion estimated in the BRE including the delay of a \$1.8 billion transfer from the General Revenue Fund to the State Highway Fund. After considering all actions by the Eighty-fifth Legislature, 2018–19 biennial appropriations made in the Conference Committee Report for Senate Bill 1 are within the pay-as-you-go limit.

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

The Texas Constitution, Article VIII, Section 22, prohibits appropriations funded with state tax revenues not dedicated by the constitution from growing faster than the estimated rate of growth of the state's economy. Consequently, the revenue source funding appropriations determines if the appropriations are subject to the spending limit. Appropriations funded with tax revenues are subject to the spending limit unless the constitution dedicates the tax revenue for a specific purpose. The spending limit does not apply to appropriations funded with nontax revenues or appropriations funded with tax revenues if the constitution requires the tax revenue to be spent for a specific purpose.

The 2018–19 biennial spending limit equals total 2016–17 biennial appropriations funded with tax revenues not dedicated by the constitution of \$92.5 billion, grown by the adopted growth rate of 8.0 percent. The 2018–19 biennial spending limit is estimated to be \$99.9 billion after adjusting for revenue estimates in the CPA's *2017 Biennial Revenue Estimate* and estimated fiscal year 2017 supplemental appropriations. 2018–19 biennial appropriations subject to the spending limit in the Conference Committee Report for Senate Bill 1 are within the spending limit.

ARTICLE III, §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 2016, the BRB reported that the issued debt ratio is 1.36 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 2.37 percent of unrestricted General Revenue Funds at the end of fiscal year 2016. The latter calculation represents an 11.8 percent decrease from the 2.65 percent calculated for outstanding and authorized but unissued debt for fiscal year 2015. The BRB expects the CDL ratio to continue to decrease with the issuance of authorized debt. However, the CDL ratio could be affected by changes to any of the following factors: the three-year average of unrestricted General Revenue Funds, the amount of debt outstanding and unissued debt authorizations, and actual and assumed interest rates.

ARTICLE III, §51–A, WELFARE SPENDING LIMIT

The Texas Constitution, Article III, Section 51-a, requires that the amount paid from 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 2018–19 biennial budget defined in the Texas Human Resources Code, Section 31.053, is \$216.8 billion. Therefore, the welfare spending limit is \$2.2 billion. The biennial amount included in the Conference Committee Report for Senate Bill 1 subject to the limit on state dollars paid out in Temporary Assistance for Needy Families (cash assistance) grants is \$96.5 million, \$2.1 billion less than the 1.0 percent limit.

TEXAS ECONOMIC OUTLOOK

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

INDUSTRIAL OUTLOOK

Texas Real Gross State Product (GSP) experienced strong growth since the end of the recent recession, averaging 4.8 percent from fiscal years 2011 to 2015. Texas Real GSP growth slowed to 0.2 percent in fiscal year 2016, coinciding with the slowdown in the oil and gas extraction industry. Growth is expected to pick up to 3.0 percent in fiscal year 2018 and 3.1 percent in fiscal year 2019.

EMPLOYMENT

The Texas unemployment rate peaked at just over 8.0 percent during the 2010–11 biennium. Since exiting recession, the rate has steadily declined, fell below 5.0 percent at the end of calendar year 2014 for the first time since the middle of 2008, and remains below 5.0 percent into the 2016–17 biennium. This decrease can be attributed to a mix of moderately declining labor participation rates and strong job growth in the state outside of the oil and gas industry. Non-farm payroll jobs in Texas are expected to increase by nearly 1.7 percent in both fiscal year 2016 and fiscal year 2017, with 384,000 jobs expected to be added during the current biennium. The Texas unemployment rate is forecast to remain constant during the 2018–19 biennium at 4.5 percent. Job growth is expected to continue at a similar pace during the upcoming 2018–19 biennium, increasing by 1.9 percent in fiscal year 2018 and 1.7 percent in fiscal year 2019.

PERSONAL INCOME

Fiscal year 2016 Personal Income increased by 2.5 percent in Texas to reach \$47,056 per Texas resident. Per Capita Personal Income is expected to increase 3.3 percent in both fiscal year 2018 and fiscal year 2019.

Figure 20 shows key economic indicators from fiscal years 2007 to 2019. All forecasted data for fiscal years 2017 to 2019 is from the CPA's *2017 Biennial Revenue Estimate*.

FIGURE 20
ECONOMIC-BASED INDICATORS, FISCAL YEARS 2007 TO 2019

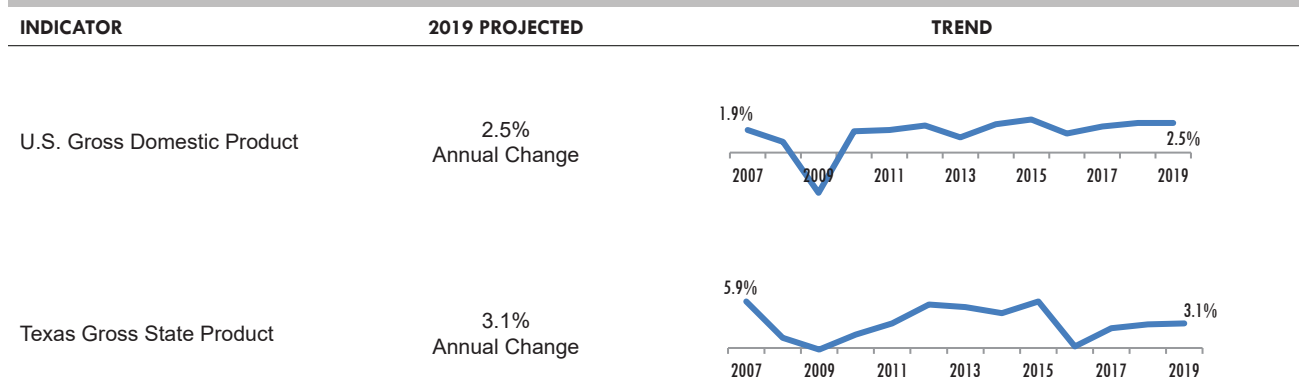


FIGURE 20 (CONTINUED)
ECONOMIC-BASED INDICATORS, FISCAL YEARS 2007 TO 2019



NOTES:

(1) Trends for fiscal years 2007 to 2019 are based on projections from the Comptroller of Public Accounts' 2017 Biennial Revenue Estimate.

(2) Amounts for the U.S. Gross Domestic Product and the Texas Gross State Product are based on 2009 dollars.

SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

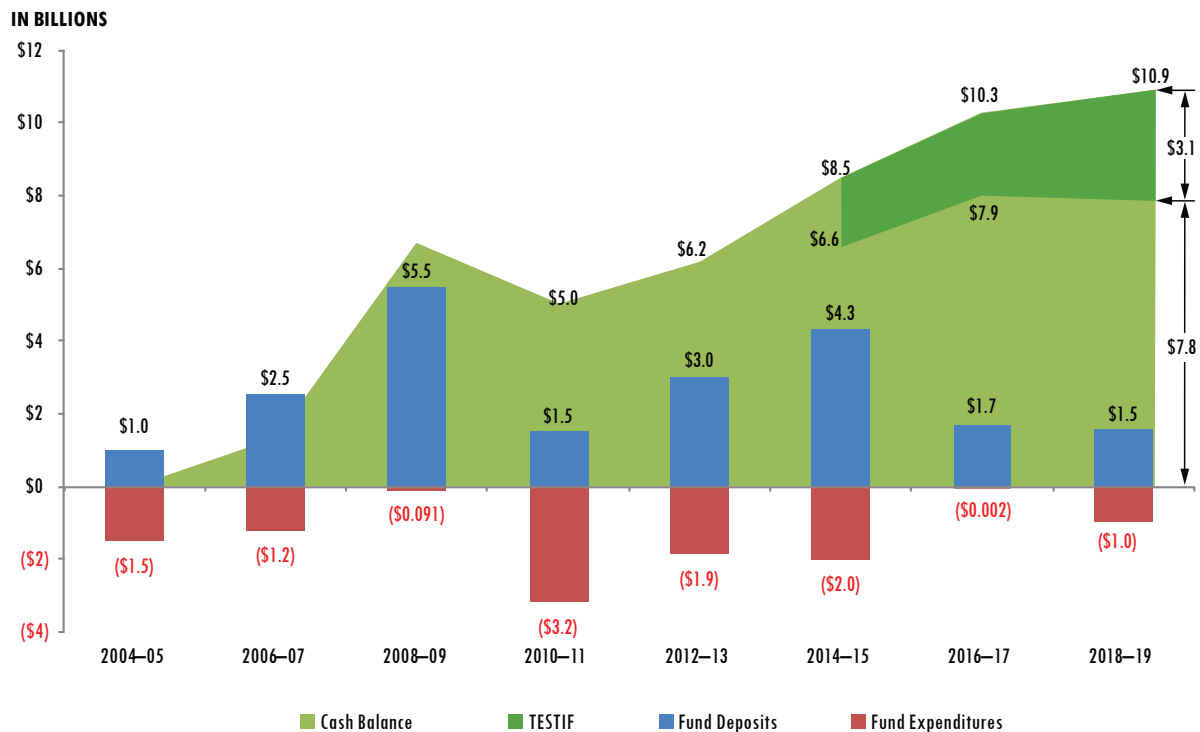
ECONOMIC STABILIZATION FUND

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

The 2018–19 biennial ending cash balance of the ESF plus the total asset value of the TESTIF is forecast by CPA in the *2017 Biennial Revenue Estimate* to be \$11.9 billion, absent any legislative actions. The Conference Committee Report for Senate Bill 1 contains total 2018–19 biennial appropriations of \$988.9 million from the fund. After accounting for the loss of interest and investment income from this amount, the 2018–19 biennial ending balance is forecast to be \$10.9 billion.

Figure 21 shows the history of ESF deposits, expenditures, and balances from the 2004–05 to 2018–19 biennia.

FIGURE 21
ECONOMIC STABILIZATION FUND BIENNIAL DEPOSITS, EXPENDITURES, INVESTMENTS AND FUND BALANCE
2004–05 TO 2018–19 BIENNIA



NOTE: Fiscal years 2017 to 2019 are projections based on the Comptroller of Public Accounts' 2017 Biennial Revenue Estimate.
SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

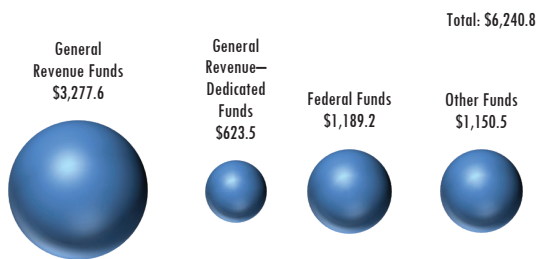
ARTICLE I – GENERAL GOVERNMENT

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

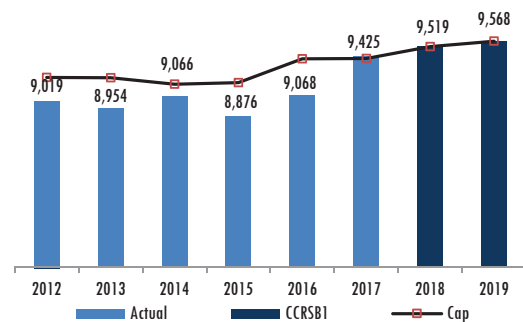
(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$3,315.6	\$3,277.6	(\$38.0)	(1.1%)
General Revenue–Dedicated Funds	\$1,056.0	\$623.5	(\$432.5)	(41.0%)
Federal Funds	\$1,005.3	\$1,189.2	\$183.9	18.3%
Other Funds	\$1,667.1	\$1,150.5	(\$516.6)	(31.0%)
Total, All Methods of Finance	\$7,043.9	\$6,240.8	(\$803.2)	(11.4%)

ALL FUNDS, 2018–19 BIENNIUM (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

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

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

FIGURE 23
ARTICLE I – GENERAL GOVERNMENT, ALL FUNDS

(IN MILLIONS)

FUNCTION	EXPENDED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Commission on the Arts	\$17.8	\$12.7	(\$5.1)	(28.5%)
Office of the Attorney General	\$1,171.6	\$1,155.0	(\$16.6)	(1.4%)
Bond Review Board	\$1.6	\$1.6	(\$0.0)	(0.3%)
Cancer Prevention and Research Institute of Texas	\$596.3	\$600.1	\$3.8	0.6%
Comptroller of Public Accounts	\$608.8	\$610.3	\$1.4	0.2%
Fiscal Programs – Comptroller of Public Accounts	\$1,135.6	\$1,197.0	\$61.4	5.4%
Commission on State Emergency Communications	\$146.0	138.8	(\$7.2)	(4.9%)
Texas Emergency Services Retirement System	\$4.7	\$4.1	(\$0.6)	(12.7%)
Employees Retirement System	\$20.2	\$20.2	\$0.0	0.0%
Texas Ethics Commission	\$6.1	\$5.9	(\$0.2)	(3.0%)
Facilities Commission	\$1,170.1	\$226.2	(\$943.9)	(80.7%)
Public Finance Authority	\$2.9	\$3.0	\$0.1	5.0%
Office of the Governor	\$26.5	\$25.2	(\$1.3)	(4.8%)
Trusted Programs within the Office of the Governor	\$1,188.3	\$1,199.2	\$10.9	0.9%
Historical Commission	\$76.2	\$68.0	(\$8.2)	(10.8%)
Department of Information Resources	\$670.4	\$753.3	\$82.8	12.4%
Library and Archives Commission	\$65.0	\$66.0	\$1.0	1.6%
Pension Review Board	\$1.9	\$2.1	\$0.2	12.6%
Preservation Board	\$46.4	\$27.8	(\$18.6)	(40.2%)
State Office of Risk Management	\$101.6	\$101.6	\$0.0	0.0%
Secretary of State	\$64.8	\$59.7	(\$5.2)	(7.9%)
Veterans Commission	114.6	\$83.6	(\$31.0)	(27.1%)
Subtotal, General Government	\$7,237.3	\$6,361.3	(\$876.1)	(12.1%)
Employee Benefits and Debt Service	\$646.3	\$761.1	\$114.8	17.8%
Less Interagency Contracts	\$839.7	\$881.6	\$41.9	5.0%
Total, All Functions	\$7,043.9	\$6,240.8	(\$803.2)	(11.4%)

NOTES:

(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.

(2) Excludes Interagency Contracts.

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

SOURCE: Legislative Budget Board.

FIGURE 24
ARTICLE I – GENERAL GOVERNMENT, GENERAL REVENUE FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Commission on the Arts	\$14.3	\$9.9	(\$4.4)	(30.5%)
Office of the Attorney General	\$471.7	\$445.7	(\$26.1)	(5.5%)
Bond Review Board	\$1.6	\$1.6	(\$0.0)	(0.3%)
Cancer Prevention and Research Institute of Texas	\$0.0	\$0.0	\$0.0	N/A
Comptroller of Public Accounts	\$569.4	\$578.0	\$8.6	1.5%
Fiscal Programs - Comptroller of Public Accounts	\$1,061.5	\$1,121.0	\$59.5	5.6%
Commission on State Emergency Communications	\$0.0	\$0.0	\$0.0	N/A
Texas Emergency Services Retirement System	\$1.5	\$1.4	(\$0.1)	(5.5%)
Employees Retirement System	\$20.2	\$20.2	\$0.0	0.0%
Texas Ethics Commission	\$6.1	\$5.9	(\$0.2)	(3.0%)
Facilities Commission	\$127.9	\$76.2	(\$51.8)	(40.5%)
Public Finance Authority	\$2.9	\$1.7	(\$1.1)	(40.1%)
Office of the Governor	\$25.9	\$24.9	(\$1.1)	(4.1%)
Trusted Programs within the Office of the Governor	\$400.9	\$256.6	(\$144.3)	(36.0%)
Historical Commission	\$61.4	\$39.3	(\$22.1)	(36.0%)
Department of Information Resources	\$0.0	\$0.0	\$0.0	N/A
Library and Archives Commission	\$31.8	\$30.2	(\$1.6)	(4.9%)
Pension Review Board	\$1.9	\$2.1	\$0.2	12.6%
Preservation Board	\$46.3	\$27.7	(\$18.5)	(40.1%)
State Office of Risk Management	\$0.0	\$0.0	\$0.0	N/A
Secretary of State	\$44.3	\$42.1	(\$2.2)	(5.0%)
Veterans Commission	\$55.4	\$26.7	(\$28.7)	(51.8%)
Subtotal, General Government	\$2,945.0	\$2,711.2	(\$233.8)	(7.9%)
Subtotal, Employee Benefits and Debt Service	\$370.7	\$566.5	\$195.8	52.8%
Total, All Functions	\$3,315.6	\$3,277.6	(\$38.0)	(1.1%)

NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
 (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

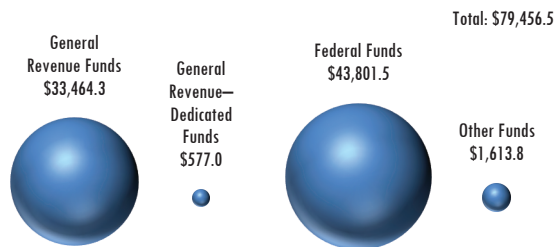
ARTICLE II – HEALTH AND HUMAN SERVICES

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

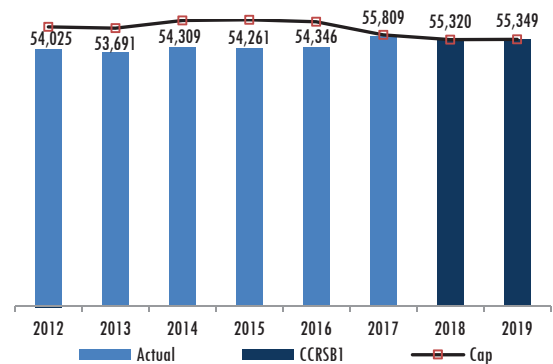
(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$33,575.3	\$33,464.3	(\$111.1)	(0.3%)
General Revenue–Dedicated Funds	\$1,172.4	\$577.0	(\$595.4)	(50.8%)
Federal Funds	\$45,857.1	\$43,801.5	(\$2,055.7)	(4.5%)
Other Funds	\$675.3	\$1,613.8	\$938.6	139.0%
Total, All Funds	\$81,280.1	\$79,456.5	(\$1,823.6)	(2.2%)

ALL FUNDS, 2018–19 BIENNIUM (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

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

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

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

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Family and Protective Services	\$3,781.4	\$4,091.9	\$310.5	8.2%
Department of State Health Services	\$5,632.5	\$1,550.6	(\$4,081.8)	(72.5%)
Health and Human Services Commission	\$71,072.5	\$72,324.5	\$1,252.0	1.8%
Subtotal, Health and Human Services	\$80,486.4	\$77,967.0	(\$2,519.4)	(3.1%)
Employee Benefits and Debt Service	\$2,092.9	\$2,250.9	\$158.0	7.6%
Less Interagency Contracts	\$1,299.2	\$761.4	(\$537.8)	(41.4%)
Total, All Functions	\$81,280.1	\$79,456.5	(\$1,823.6)	(2.2%)

NOTES:

(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.

(2) Excludes Interagency Contracts.

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

SOURCE: Legislative Budget Board.

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

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Family and Protective Services	\$2,052.9	\$2,303.2	\$250.3	12.2%
Department of State Health Services	\$2,002.3	\$479.3	(\$1,523.0)	(76.1%)
Health and Human Services Commission	\$28,075.3	\$29,059.4	\$984.1	3.5%
Subtotal, Health and Human Services	\$32,130.5	\$31,841.9	(\$288.6)	(0.9%)
Employee Benefits and Debt Service	\$1,444.8	\$1,622.4	\$177.6	12.3%
Total, All Functions	\$33,575.3	\$33,464.3	(\$111.0)	(0.3%)

NOTES:

(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.

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

SOURCE: Legislative Budget Board.

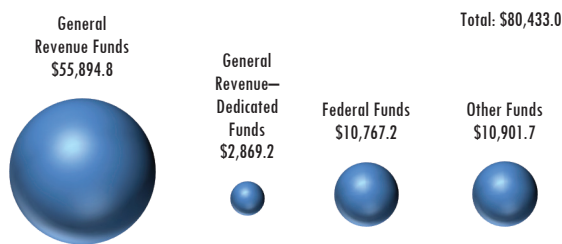
ARTICLE III – EDUCATION

FIGURE 28
ARTICLE III – EDUCATION, BY METHOD OF FINANCE

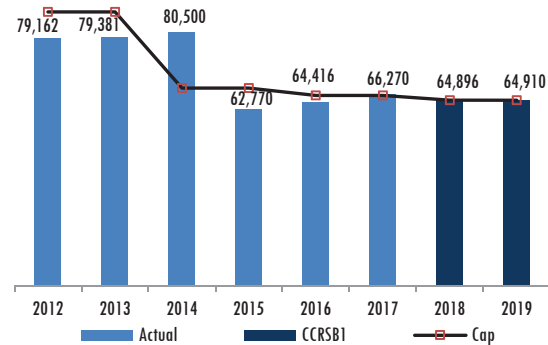
(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$56,291.7	\$55,894.8	(\$396.9)	(0.7%)
General Revenue–Dedicated Funds	\$2,913.0	\$2,869.2	(43.8)	(1.5%)
Federal Funds	\$10,497.2	\$10,767.2	270.0	2.6%
Other Funds	\$9,446.7	\$10,901.7	1,455.0	15.4%
Total, All Methods of Finance	\$79,148.6	\$80,433.0	\$1,284.4	1.6%

ALL FUNDS, 2018–19 BIENNIUM (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

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

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

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

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Public Education				
Texas Education Agency	\$54,720.3	\$55,004.9	\$284.6	0.5%
School for the Blind and Visually Impaired	\$52.2	\$53.6	\$1.4	2.7%
School for the Deaf	\$59.9	\$76.1	\$16.3	27.2%
Subtotal, Public Education	\$54,832.3	\$55,134.7	\$302.4	0.6%
Public Higher Education				
General Academic Institutions	\$7,159.7	\$7,211.9	\$52.2	0.7%
Health Related Institutions	\$3,170.2	\$3,161.7	(\$8.4)	(0.3%)
Texas A&M Service Agencies	\$1,023.9	\$1,003.0	(\$20.9)	(2.0%)
Higher Education Coordinating Board	\$1,706.2	\$1,575.0	(\$131.2)	(7.7%)
Higher Education Fund	\$656.3	\$787.5	\$131.3	20.0%
Available University Fund	\$1,713.3	\$1,800.5	\$87.2	5.1%
Available National Research University Fund	\$52.5	\$46.3	(\$6.2)	(11.8%)
Support for Military and Veterans Exemptions	\$20.1	\$47.3	\$27.2	135.7%
Two-Year Institutions				
Public Community/Junior Colleges	\$1,779.7	\$1,794.5	\$14.9	0.8%
Lamar Lower-level Institutions	\$69.5	\$67.7	(\$1.8)	(2.6%)
Texas State Technical Colleges	\$190.4	\$192.8	\$2.4	1.2%
Subtotal, Two-Year Institutions	\$2,039.5	\$2,055.0	\$15.4	0.8%
Subtotal, Public Higher Education	\$17,541.6	\$17,688.3	\$146.7	0.8%
Teacher Retirement System	\$4,435.2	\$5,186.3	\$751.2	16.9%
Optional Retirement Program	\$334.4	\$344.6	\$10.2	3.1%
Higher Education Employees Group Insurance Contributions	\$1,377.9	\$1,412.2	\$34.3	2.5%
Retirement and Group Insurance	\$86.0	\$93.9	\$8.0	9.3%
Social Security and Benefit Replacement Pay	\$621.2	\$660.4	\$39.2	6.3%
Subtotal, Employee Benefits	\$6,854.6	\$7,697.5	\$842.9	12.3%
Bond Debt Service Payments	\$23.0	\$20.8	(\$2.2)	(9.6%)
Lease Payments	\$4.5	\$0.4	(\$4.1)	(91.1%)
Subtotal, Debt Service	\$27.5	\$21.2	(\$6.3)	(23.0%)
Less Interagency Contracts	\$107.4	\$108.6	\$1.2	1.1%
Total, All Functions	\$79,148.6	\$80,433.0	\$1,284.4	1.6%

NOTES:

(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.

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

SOURCE: Legislative Budget Board.

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

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Public Education				
Texas Education Agency	\$37,649.7	\$36,261.5	(\$1,388.2)	(3.7%)
School for the Blind and Visually Impaired	\$30.4	\$31.3	\$0.9	3.0%
School for the Deaf	\$36.6	\$37.3	\$0.6	1.7%
Subtotal, Public Education	\$37,716.8	\$36,330.1	(\$1,386.7)	(3.7%)
Public Higher Education				
General Academic Institutions	\$4,965.4	\$5,011.3	\$45.9	0.9%
Health Related Institutions	\$2,810.8	\$2,855.0	\$44.2	1.6%
Texas A&M Service Agencies	\$365.3	\$357.1	(\$8.2)	(2.2%)
Higher Education Coordinating Board	\$1,456.8	\$1,396.7	(\$60.0)	(4.1%)
Higher Education Fund	\$656.3	\$787.5	\$131.3	20.0%
Available University Fund	\$0.0	\$0.0	\$0.0	N/A
Available National Research University Fund	\$0.0	\$0.0	\$0.0	N/A
Support for Military and Veterans Exemptions	\$0.0	\$30.0	\$30.0	N/A
Two-Year Institutions				
Public Community/Junior Colleges	\$1,779.7	\$1,794.5	\$14.9	0.8%
Lamar Lower-level Institutions	\$55.8	\$54.3	(\$1.6)	(2.8%)
Texas State Technical Colleges	\$141.3	\$139.1	(\$2.2)	(1.5%)
Subtotal, Two-Year Institutions	\$1,976.8	\$1,987.9	\$11.1	0.6%
Subtotal, Higher Education	\$12,231.3	\$12,425.5	\$194.2	1.6%
Teacher Retirement System	\$4,127.4	\$4,866.0	\$738.5	17.9%
Optional Retirement Program	\$254.1	\$245.8	(\$8.3)	(3.3%)
Higher Education Employees Group Insurance Contributions	\$1,377.9	\$1,412.2	\$34.3	2.5%
Retirement and Group Insurance	\$70.8	\$77.2	\$6.4	9.1%
Social Security and Benefit Replacement Pay	\$486.2	\$517.1	\$31.0	6.4%
Subtotal, Employee Benefits	\$6,316.4	\$7,118.4	\$801.9	12.7%
Bond Debt Service Payments	\$22.7	\$20.5	(\$2.2)	(9.7%)
Lease Payments	\$4.5	\$0.4	(\$4.1)	(91.1%)
Subtotal, Debt Service	\$27.2	\$20.9	(\$6.3)	(23.3%)
Total, All Functions	\$56,291.7	\$55,894.8	(\$396.9)	(0.7%)

NOTE:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
 (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

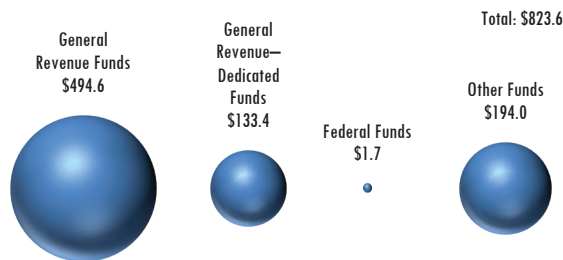
ARTICLE IV – JUDICIARY

FIGURE 31
ARTICLE IV – JUDICIARY, BY METHOD OF FINANCE

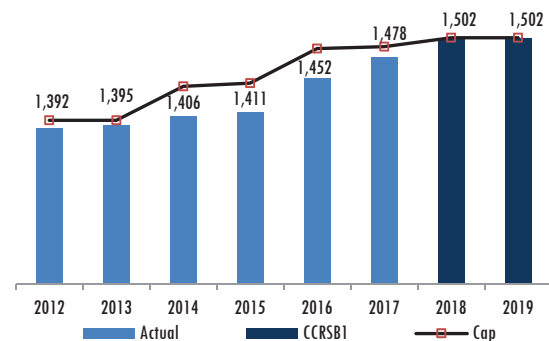
(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$503.3	\$494.6	(\$8.7)	(1.7%)
General Revenue–Dedicated Funds	\$143.2	\$133.4	(\$9.9)	(6.9%)
Federal Funds	\$3.3	\$1.7	(\$1.6)	(48.7%)
Other Funds	\$163.5	\$194.0	\$30.5	18.6%
Total, All Methods of Finance	\$813.3	\$823.6	\$10.3	1.3%

ALL FUNDS, 2018–19 BIENNIUM (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTES:

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

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

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

FIGURE 32
ARTICLE IV – JUDICIARY, ALL FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Supreme Court of Texas	\$82.6	\$95.8	\$13.2	16.0%
Court of Criminal Appeals	\$32.4	\$29.5	(\$2.9)	(9.0%)
First Court of Appeals District, Houston	\$9.4	\$9.4	(\$0.0)	(0.2%)
Second Court of Appeals District, Fort Worth	\$7.3	\$7.3	\$0.0	0.0%
Third Court of Appeals District, Austin	\$6.1	\$6.1	\$0.0	0.1%
Fourth Court of Appeals District, San Antonio	\$7.3	\$7.3	\$0.0	0.1%
Fifth Court of Appeals District, Dallas	\$12.9	\$12.9	\$0.1	0.5%
Sixth Court of Appeals District, Texarkana	\$3.3	\$3.3	(\$0.0)	(0.1%)
Seventh Court of Appeals District, Amarillo	\$4.1	\$4.1	(\$0.0)	(0.1%)
Eighth Court of Appeals District, El Paso	\$3.4	\$3.4	\$0.0	0.2%
Ninth Court of Appeals District, Beaumont	\$4.2	\$4.1	(\$0.0)	(0.0%)
Tenth Court of Appeals District, Waco	\$3.4	\$3.4	(\$0.0)	(0.0%)
Eleventh Court of Appeals District, Eastland	\$3.3	\$3.3	(\$0.0)	(0.0%)
Twelfth Court of Appeals District, Tyler	\$3.1	\$3.3	\$0.2	5.8%
Thirteenth Court of Appeals District, Corpus Christi-Edinburg	\$6.1	\$6.1	\$0.0	0.1%
Fourteenth Court of Appeals District, Houston	\$9.7	\$9.7	(\$0.0)	(0.2%)
Office of Court Administration, Texas Judicial Council	\$162.2	\$161.6	(\$0.5)	(0.3%)
Office of Capital Writs	\$2.8	\$2.7	(\$0.1)	(4.2%)
Office of the State Prosecuting Attorney	\$0.9	\$0.9	(\$0.0)	(0.0%)
State Law Library	\$2.1	\$2.0	(\$0.1)	(5.0%)
State Commission on Judicial Conduct	\$2.3	\$2.3	\$0.0	0.3%
Judiciary Section, Comptroller's Department	\$313.5	\$313.9	\$0.5	0.2%
Subtotal, Judiciary	\$682.3	\$692.5	\$10.3	1.5%
Employee Benefits and Debt Service	\$152.1	\$154.8	\$2.7	1.8%
Less Interagency Contracts	\$21.1	\$23.7	\$2.6	12.5%
Total, All Functions	\$813.3	\$823.6	\$10.3	1.3%

NOTES:

(1) Excludes Interagency Contracts.

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

SOURCE: Legislative Budget Board.

FIGURE 33
ARTICLE IV – JUDICIARY, GENERAL REVENUE FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Supreme Court of Texas	\$32.2	\$17.7	(\$14.5)	(45.0%)
Court of Criminal Appeals	\$12.1	\$12.5	\$0.4	3.1%
First Court of Appeals District, Houston	\$8.8	\$8.8	(\$0.0)	(0.0%)
Second Court of Appeals District, Fort Worth	\$6.7	\$6.7	(\$0.0)	(0.0%)
Third Court of Appeals District, Austin	\$5.7	\$5.7	(\$0.0)	(0.0%)
Fourth Court of Appeals District, San Antonio	\$6.7	\$6.7	(\$0.0)	(0.0%)
Fifth Court of Appeals District, Dallas	\$12.0	\$12.0	(\$0.0)	(0.0%)
Sixth Court of Appeals District, Texarkana	\$3.1	\$3.1	(\$0.0)	(0.0%)
Seventh Court of Appeals District, Amarillo	\$3.9	\$3.9	(\$0.0)	(0.0%)
Eighth Court of Appeals District, El Paso	\$3.1	\$3.1	(\$0.0)	(0.0%)
Ninth Court of Appeals District, Beaumont	\$3.9	\$3.9	(\$0.0)	(0.0%)
Tenth Court of Appeals District, Waco	\$3.2	\$3.2	(\$0.0)	(0.0%)
Eleventh Court of Appeals District, Eastland	\$3.1	\$3.1	(\$0.0)	(0.0%)
Twelfth Court of Appeals District, Tyler	\$2.9	\$3.1	\$0.2	6.2%
Thirteenth Court of Appeals District, Corpus Christi-Edinburg	\$5.6	\$5.6	(\$0.0)	(0.0%)
Fourteenth Court of Appeals District, Houston	\$8.8	\$8.8	(\$0.0)	(0.0%)
Office of Court Administration, Texas Judicial Council	\$40.3	\$42.9	\$2.6	6.5%
Office of Capital Writs	\$0.0	\$0.0	\$0.0	N/A
Office of the State Prosecuting Attorney	\$0.8	\$0.8	(\$0.0)	(0.0%)
State Law Library	\$2.1	\$2.0	(\$0.1)	(4.3%)
State Commission on Judicial Conduct	\$2.3	\$2.3	\$0.0	0.3%
Judiciary Section, Comptroller's Department	\$199.5	\$199.5	\$0.0	0.0%
Subtotal, Judiciary	\$366.8	\$355.4	(\$11.4)	(3.1%)
Employee Benefits and Debt Service	\$136.5	\$139.1	\$2.7	1.9%
Article IV, Special Provisions	\$0.0	\$0.0	\$0.0	N/A
Total, All Functions	\$503.3	\$494.6	(\$8.7)	(1.7%)

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

SOURCE: Legislative Budget Board.

ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE

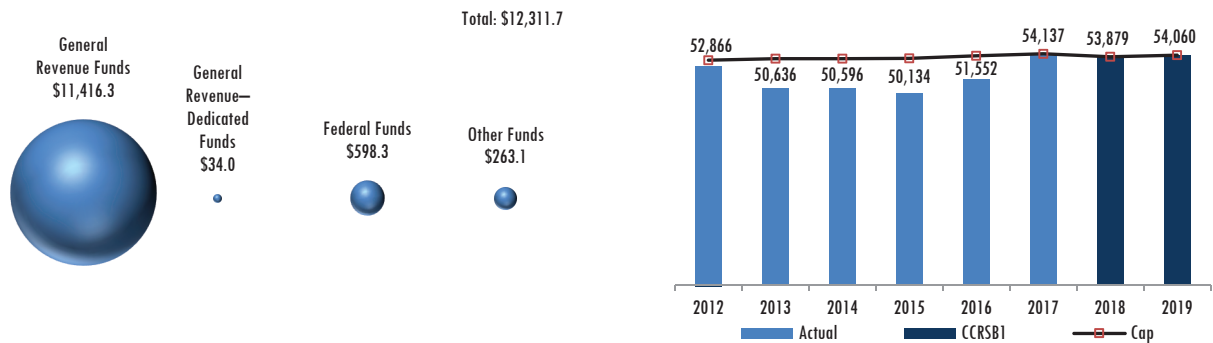
FIGURE 34
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE, BY METHOD OF FINANCE

(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$11,606.6	\$11,416.3	(\$190.3)	(1.6%)
General Revenue–Dedicated Funds	\$132.2	\$34.0	(\$98.2)	(74.3%)
Federal Funds	\$647.0	\$598.3	(\$48.7)	(7.5%)
Other Funds	\$189.6	\$263.1	\$73.4	38.7%
Total, All Funds	\$12,575.4	\$12,311.7	(\$263.7)	(2.1%)

ALL FUNDS, 2018–19 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Excludes interagency contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

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

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

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

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Alcoholic Beverage Commission	\$101.4	\$97.7	(\$3.6)	(3.6%)
Department of Criminal Justice	\$6,902.5	\$6,617.1	(\$285.4)	(4.1%)
Commission on Fire Protection	\$4.1	\$3.9	(\$0.2)	(4.6%)
Commission on Jail Standards	\$1.9	\$2.6	\$0.7	34.7%
Juvenile Justice Department	\$654.1	\$663.9	\$9.8	1.5%
Commission on Law Enforcement	\$7.8	\$7.4	(\$0.4)	(5.0%)
Military Department	\$227.3	\$179.3	(\$48.1)	(21.1%)
Department of Public Safety	\$2,582.2	2,418.0	(\$164.2)	(6.4%)
Subtotal, Public Safety and Criminal Justice	\$10,481.4	\$9,990.0	(\$491.3)	(4.7%)
Employee Benefits and Debt Service	\$2,257.2	\$2,455.5	\$198.2	8.8%
Less Interagency Contracts	\$163.1	\$133.8	(\$29.4)	(18.0%)
Total, All Functions	\$12,575.4	\$12,311.7	(\$263.7)	(2.1%)

NOTES:

(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.

(2) Excludes interagency contracts.

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

SOURCE: Legislative Budget Board.

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

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Alcoholic Beverage Commission	\$100.0	\$96.2	(\$3.8)	(3.8%)
Department of Criminal Justice	\$6,683.4	\$6,417.4	(\$266.0)	(4.0%)
Commission on Fire Protection	\$3.9	\$3.8	(\$0.2)	(4.1%)
Commission on Jail Standards	\$1.9	\$2.6	\$0.7	34.8%
Juvenile Justice Department	\$600.0	\$605.2	\$5.1	0.9%
Commission on Law Enforcement	\$0.0	\$0.0	\$0.0	N/A
Military Department	\$34.5	\$30.3	(\$4.1)	(12.0%)
Department of Public Safety	\$1,971.5	\$1,848.4	(\$123.0)	(6.2%)
Subtotal, Public Safety and Criminal Justice	\$9,395.2	\$9,004.0	(\$391.3)	(4.2%)
Employee Benefits and Debt Service	\$2,211.4	\$2,412.3	\$201.0	9.1%
Total, All Functions	\$11,606.6	\$11,416.3	(\$190.3)	(1.6%)

NOTES:

(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.

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

SOURCE: Legislative Budget Board.

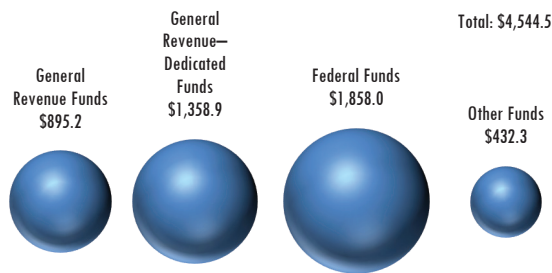
ARTICLE VI – NATURAL RESOURCES

FIGURE 37
ARTICLE VI NATURAL RESOURCES, BY METHOD OF FINANCE

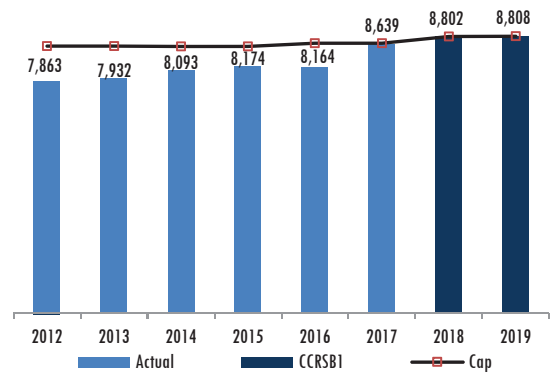
(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$818.4	\$895.2	\$76.8	9.4%
General Revenue–Dedicated Funds	\$1,503.4	\$1,358.9	(\$144.5)	(9.6%)
Federal Funds	\$1,860.8	\$1,858.0	(\$2.8)	(0.2%)
Other Funds	\$347.6	\$432.3	\$84.7	24.4%
Total, All Methods of Finance	\$4,530.2	\$4,544.5	\$14.2	0.3%

ALL FUNDS, 2018–19 BIENNIUM (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

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

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

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

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Agriculture	\$1,336.3	\$1,474.9	\$138.6	10.4%
Animal Health Commission	\$27.5	\$32.0	\$4.5	16.5%
Commission on Environmental Quality	\$910.5	\$846.7	(\$63.8)	(7.0%)
General Land Office and Veterans' Land Board	\$405.1	\$341.6	(\$63.4)	(15.7%)
Low-level Radioactive Waste Disposal Compact Commission	\$0.9	\$1.2	\$0.3	30.8%
Parks and Wildlife Department	\$829.2	\$728.9	(\$100.2)	(12.1%)
Railroad Commission	\$176.4	\$256.1	\$79.7	45.2%
Soil and Water Conservation Board	\$77.7	77.5	(\$0.2)	(0.2%)
Water Development Board	\$394.7	\$370.6	(\$24.2)	(6.1%)
Subtotal, Natural Resources	\$4,158.2	\$4,129.5	(\$28.8)	(0.7%)
Employee Benefits and Debt Service	\$406.4	\$435.6	\$29.3	7.2%
Less Interagency Contracts	\$34.4	\$20.7	(\$13.7)	(39.9%)
Total, All Functions	\$4,530.2	\$4,544.5	\$14.2	0.3%

NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

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

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Agriculture	\$113.1	\$106.6	(\$6.5)	(5.8%)
Animal Health Commission	\$23.0	\$28.3	\$5.4	23.3%
Commission on Environmental Quality	\$24.4	\$33.0	\$8.6	35.3%
General Land Office and Veterans' Land Board	\$64.2	\$28.3	(\$35.9)	(55.9%)
Low-level Radioactive Waste Disposal Compact Commission	\$0.0	\$0.0	\$0.0	N/A
Parks and Wildlife Department	\$198.7	\$261.2	\$62.4	31.4%
Railroad Commission	\$22.5	\$61.1	\$38.6	172.1%
Soil and Water Conservation Board	\$42.9	\$46.9	\$4.0	9.3%
Water Development Board	\$151.7	\$132.0	(\$19.7)	(13.0%)
Subtotal, Natural Resources	\$640.5	\$697.5	\$57.0	8.9%
Employee Benefits and Debt Service	\$177.9	\$197.7	\$19.8	11.1%
Total, All Functions	\$818.4	\$895.2	\$76.8	9.4%

NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

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

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Agriculture	\$4.7	\$4.6	(\$0.1)	(2.4%)
Animal Health Commission	\$0.0	\$0.0	\$0.0	N/A
Commission on Environmental Quality	\$780.4	\$723.0	(\$57.4)	(7.4%)
General Land Office and Veterans' Land Board	\$29.9	\$30.4	\$0.4	1.5%
Low-level Radioactive Waste Disposal Compact Commission	\$0.9	\$1.2	\$0.3	30.8%
Parks and Wildlife Department	\$392.1	\$296.5	(\$95.6)	(24.4%)
Railroad Commission	\$134.7	\$135.1	\$0.4	0.3%
Soil and Water Conservation Board	\$0.0	\$0.0	\$0.0	N/A
Water Development Board	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Natural Resources	\$1,342.7	\$1,190.7	(\$152.0)	(11.3%)
Employee Benefits and Debt Service	\$160.7	\$168.2	\$7.5	4.7%
Total, All Functions	\$1,503.4	\$1,358.9	(\$144.5)	(9.6%)

NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

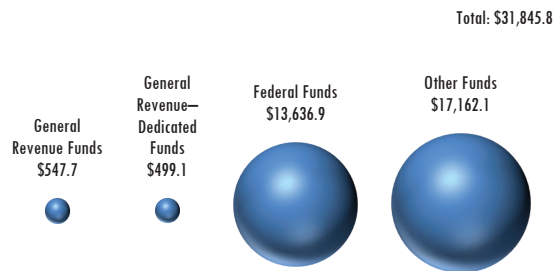
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT

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

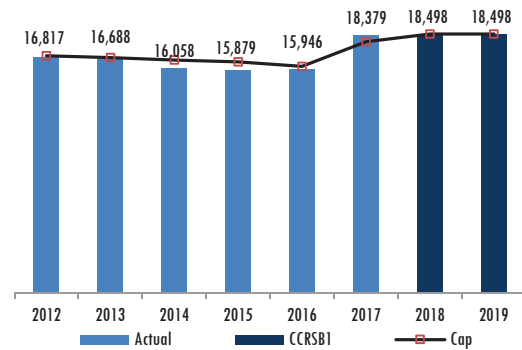
(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$1,162.6	\$547.7	(\$614.9)	(52.9%)
General Revenue–Dedicated Funds	\$505.9	\$499.1	(\$6.7)	(1.3%)
Federal Funds	\$12,326.1	\$13,636.9	\$1,310.8	10.6%
Other Funds	\$15,655.1	\$17,162.1	\$1,507.1	9.6%
Total, All Methods of Finance	\$29,649.6	\$31,845.8	\$2,196.2	7.4%

ALL FUNDS, 2018–19 BIENNIUM (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

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

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

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

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Housing and Community Affairs	\$477.1	\$474.2	(\$2.8)	(0.6%)
Texas Lottery Commission	\$496.7	\$496.8	\$0.1	0.0%
Department of Motor Vehicles	\$350.0	\$332.9	(\$17.2)	(4.9%)
Department of Transportation	\$24,731.9	\$26,627.0	\$1,895.1	7.7%
Texas Workforce Commission	\$2,844.5	\$3,086.8	\$242.2	8.5%
Reimbursements to the Unemployment Compensation Benefit Account	\$38.8	\$36.1	(\$2.6)	(6.7%)
Subtotal, Business and Economic Development	\$28,939.0	\$31,053.8	\$2,114.8	7.3%
Retirement and Group Insurance	\$708.3	\$792.9	\$84.6	12.0%
Social Security and Benefit Replacement Pay	\$141.4	\$150.3	\$8.8	6.3%
Bond Debt Service Payments	\$30.7	\$26.6	(\$4.1)	(13.4%)
Lease Payments	\$2.7	0.6	(\$2.0)	(76.9%)
Subtotal, Employee Benefits and Debt Service	\$883.0	\$970.4	\$87.3	9.9%
Less Interagency Contracts	\$172.4	\$178.4	\$6.0	3.5%
Total, All Functions	\$29,649.6	\$31,845.8	\$2,196.2	7.4%

NOTES:

(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.

(2) Excludes Interagency Contracts.

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

SOURCE: Legislative Budget Board.

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

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Housing and Community Affairs	\$26.6	\$24.4	(\$2.2)	(8.3%)
Texas Lottery Commission	\$30.9	\$34.1	\$3.1	10.2%
Department of Motor Vehicles	\$184.7	\$25.7	(\$159.0)	(86.1%)
Department of Transportation	\$500.0	\$3.9	(\$496.1)	(99.2%)
Texas Workforce Commission	\$339.9	\$381.7	\$41.8	12.3%
Reimbursements to the Unemployment Compensation Benefit Account	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Business and Economic Development	\$1,082.0	\$469.7	(\$612.4)	(56.6%)
Retirement and Group Insurance	\$38.6	\$41.6	\$3.1	8.0%
Social Security and Benefit Replacement Pay	\$9.3	\$9.8	\$0.5	5.4%
Bond Debt Service Payments	\$30.1	\$25.9	(\$4.1)	(13.7%)
Lease Payments	\$2.7	\$0.6	(\$2.0)	(76.9%)
Subtotal, Employee Benefits and Debt Service	\$80.6	\$78.0	(\$2.6)	(3.2%)
Total, All Functions	\$1,162.6	\$547.7	(\$614.9)	(52.9%)

NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

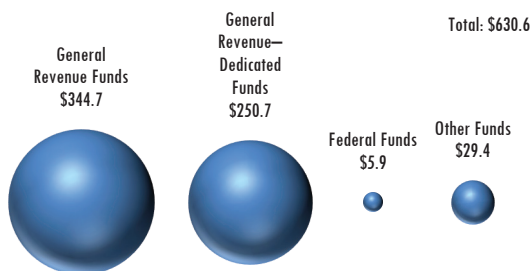
ARTICLE VIII – REGULATORY

FIGURE 44
ARTICLE VIII REGULATORY, BY METHOD OF FINANCE

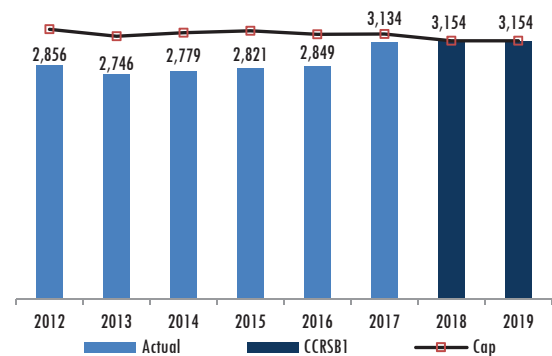
(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$337.1	\$344.7	\$7.5	2.2%
General Revenue–Dedicated Funds	\$577.8	\$250.7	(\$327.1)	(56.6%)
Federal Funds	\$8.6	\$5.9	(\$2.8)	(32.2%)
Other Funds	\$32.8	\$29.4	(\$3.4)	(10.4%)
Total, All Methods of Finance	\$956.4	\$630.6	(\$325.8)	(34.1%)

ALL FUNDS, 2018–19 BIENNium (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

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

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

FIGURE 45
ARTICLE VIII – REGULATORY, ALL FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
State Office of Administrative Hearings	\$23.5	\$23.3	(\$0.3)	(1.1%)
Board of Chiropractic Examiners	\$1.7	\$1.6	(\$0.1)	(3.9%)
Texas State Board of Dental Examiners	\$8.8	\$8.5	(\$0.3)	(3.5%)
Funeral Service Commission	\$1.7	\$1.6	(\$0.1)	(3.5%)
Board of Professional Geoscientists	\$1.2	\$1.1	(\$0.1)	(4.2%)
Health Professions Council	\$2.2	\$2.2	(\$0.0)	(1.2%)
Office of Injured Employee Counsel	\$17.6	\$17.6	(\$0.0)	(0.0%)
Department of Insurance	\$232.6	\$227.5	(\$5.0)	(2.2%)
Office of Public Insurance Counsel	\$2.2	\$2.1	(\$0.1)	(3.4%)
Board of Professional Land Surveying	\$0.9	\$1.0	\$0.1	5.6%
Department of Licensing and Regulation	\$67.0	\$67.9	\$0.9	1.4%
Texas Medical Board	\$28.3	\$27.5	(\$0.8)	(2.9%)
Texas Board of Nursing	\$24.1	\$24.8	\$0.7	3.1%
Optometry Board	\$1.0	\$1.0	(\$0.0)	(0.8%)
Board of Pharmacy	\$15.4	\$16.0	\$0.6	3.9%
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$2.9	\$2.8	(\$0.1)	(2.6%)
Board of Plumbing Examiners	\$5.4	\$5.3	(\$0.1)	(1.8%)
Board of Podiatric Medical Examiners	\$0.6	\$0.6	(\$0.0)	(4.5%)
Board of Examiners of Psychologists	\$1.8	\$1.8	(\$0.0)	(0.4%)
Racing Commission	\$14.7	\$15.6	\$0.9	6.3%
Securities Board	\$14.6	\$14.0	(\$0.6)	(4.1%)
Public Utility Commission of Texas	\$358.3	\$32.6	(\$325.6)	(90.9%)
Office of Public Utility Counsel	\$4.5	\$4.3	(\$0.2)	(4.1%)
Board of Veterinary Medical Examiners	\$2.6	\$2.8	\$0.2	6.0%
Subtotal, Regulatory	\$833.5	\$503.6	(\$329.9)	(39.6%)
Retirement and Group Insurance	\$105.2	\$112.1	\$6.8	6.5%
Social Security and Benefit Replacement Pay	\$26.2	\$26.2	\$0.0	0.1%
Lease Payments	\$1.0	\$0.3	(\$0.7)	(68.2%)
Subtotal, Employee Benefits and Debt Service	\$132.4	\$138.6	\$6.2	4.7%
Less Interagency Contracts	\$9.5	\$11.5	\$2.0	20.7%
Total, All Functions	\$956.4	\$630.6	(\$325.8)	(34.1%)

NOTES:

(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.

(2) Excludes Interagency Contracts.

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

SOURCE: Legislative Budget Board.

FIGURE 46
ARTICLE VIII – REGULATORY, GENERAL REVENUE FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2016–17	CCR SB1 2018–19	BIENNIAL CHANGE	PERCENTAGE CHANGE
State Office of Administrative Hearings	\$16.6	\$14.3	(\$2.3)	(13.8%)
Board of Chiropractic Examiners	\$1.6	\$1.5	(\$0.1)	(4.1%)
Texas State Board of Dental Examiners	\$8.3	\$8.0	(\$0.3)	(3.2%)
Funeral Service Commission	\$1.6	\$1.5	(\$0.1)	(3.8%)
Board of Professional Geoscientists	\$1.2	\$1.1	(\$0.1)	(4.2%)
Health Professions Council	\$0.0	\$0.0	\$0.0	N/A
Office of Injured Employee Counsel	\$0.0	\$0.0	\$0.0	N/A
Department of Insurance	\$82.9	\$85.0	\$2.1	2.5%
Office of Public Insurance Counsel	\$1.8	\$1.7	(\$0.1)	(4.1%)
Board of Professional Land Surveying	\$0.9	\$0.9	\$0.1	6.5%
Department of Licensing and Regulation	\$58.2	\$59.0	\$0.8	1.4%
Texas Medical Board	\$23.6	\$20.3	(\$3.3)	(14.1%)
Texas Board of Nursing	\$17.4	\$17.4	\$0.0	0.0%
Optometry Board	\$0.9	\$0.9	(\$0.0)	(0.9%)
Board of Pharmacy	\$14.9	\$16.0	\$1.1	7.5%
Executive Council of Physical Therapy and Occupational Therapy Examiners	\$2.7	\$2.7	(\$0.0)	(0.2%)
Board of Plumbing Examiners	\$5.3	\$5.2	(\$0.1)	(1.8%)
Board of Podiatric Medical Examiners	\$0.6	\$0.6	(\$0.0)	(4.2%)
Board of Examiners of Psychologists	\$1.6	\$1.6	(\$0.0)	(0.4%)
Racing Commission	\$0.0	\$0.0	\$0.0	N/A
Securities Board	\$14.6	\$14.0	(\$0.6)	(4.1%)
Public Utility Commission of Texas	\$18.8	\$26.6	\$7.8	41.5%
Office of Public Utility Counsel	\$3.4	\$3.3	(\$0.1)	(4.1%)
Board of Veterinary Medical Examiners	\$2.6	\$2.8	\$0.2	6.1%
Subtotal, Regulatory	\$279.2	\$284.3	\$5.1	1.8%
Retirement and Group Insurance	\$45.3	\$48.2	\$2.8	6.3%
Social Security and Benefit Replacement Pay	\$11.9	\$12.0	\$0.2	1.3%
Lease Payments	\$0.7	\$0.2	(\$0.5)	(76.5%)
Subtotal, Employee Benefits and Debt Service	\$57.9	\$60.4	\$2.5	4.3%
Total, All Functions	\$337.1	\$344.7	\$7.5	2.2%

NOTES:

- (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
(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.

READER'S GUIDE TO GENERAL APPROPRIATIONS BILLS

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

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

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

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 (GR), General Revenue–Dedicated (GR-D), Federal Funds, and Other Funds. Each of these four may contain subcategories.

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

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

E The left footer shows the version of the appropriations bill. This is the LBB recommended version for the Senate.

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

A OFFICE OF THE ATTORNEY GENERAL

B Method of Financing:

General Revenue Fund

	For the Years Ending August 31, 2018	August 31, 2019
General Revenue Fund	\$ 109,135,254	\$ 112,718,415
Child Support Retained Collection Account	97,005,072	97,005,072
Attorney General Debt Collection Receipts	8,300,000	8,300,000
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	3,411,343	3,411,343

Subtotal, General Revenue Fund	\$ 217,851,669	\$ 221,434,830
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General Revenue Fund - Dedicated

Compensation to Victims of Crime Account No. 469	60,751,951	61,775,611
Compensation to Victims of Crime Auxiliary Account No. 494	161,349	161,349
AG Law Enforcement Account No. 5006	301,402	301,402
Sexual Assault Program Account No. 5010	15,188,546	5,188,546

Subtotal, General Revenue Fund - Dedicated	\$ 76,403,248	\$ 67,426,908
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Federal Funds	213,366,403	220,889,946
---------------	-------------	-------------

Other Funds

Interagency Contracts - Criminal Justice Grants	551,250	551,250
Appropriated Receipts	33,043,026	33,035,204
Interagency Contracts	31,980,957	31,980,957
License Plate Trust Fund Account No. 0802	30,970	30,970

Subtotal, Other Funds	\$ 65,606,203	\$ 65,598,381
-----------------------	---------------	---------------

Total, Method of Financing	\$ 573,227,523	\$ 575,350,065
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This bill pattern represents an estimated 100% of this agency's estimated total available funds for the biennium.

C **Number of Full-Time-Equivalents (FTE):**

4,197.4	4,197.4
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D **Schedule of Exempt Positions:**

Attorney General, Group 6	\$153,750	\$153,750
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E A813-LBB Senate-1-A

F I-3

January 6, 2017

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

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

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

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

OFFICE OF THE ATTORNEY GENERAL
(Continued)

G Items of Appropriation:		
A. Goal: PROVIDE LEGAL SERVICES		
Provide General Legal Services to the State and Authorized Entities.		
A.1.1. Strategy: LEGAL SERVICES	\$ 102,107,328	\$ 102,099,506
Provide Legal Counsel/Litigation/Alternative Dispute Resolution Svcs.		
B. Goal: ENFORCE CHILD SUPPORT LAW		
Enforce State/Federal Child Support Laws.		
B.1.1. Strategy: CHILD SUPPORT ENFORCEMENT	\$ 335,024,074	\$ 345,562,782
Establish Paternity/Obligations, Enforce Orders and Distribute Monies.		
B.1.2. Strategy: STATE DISBURSEMENT UNIT	\$ 13,812,653	\$ 13,812,653
Total, Goal B: ENFORCE CHILD SUPPORT LAW	\$ 348,836,727	\$ 359,375,435
C. Goal: CRIME VICTIMS' SERVICES		
Investigate/Process Applications for Compensation to Crime Victims.		
C.1.1. Strategy: CRIME VICTIMS' COMPENSATION	\$ 64,764,500	\$ 66,279,156
Review Claims, Determine Eligibility/State Liability, Pay Correctly.		
C.1.2. Strategy: VICTIMS ASSISTANCE	\$ 38,239,267	\$ 28,316,267
Provide Grants & Contracts for Victims Svcs/Sexual Asslt Victims.		
Total, Goal C: CRIME VICTIMS' SERVICES	\$ 103,003,767	\$ 94,595,423
D. Goal: REFER MEDICAID CRIMES		
Investigate/Refer for Prosecution Fraud/Misconduct Involving Medicaid.		
D.1.1. Strategy: MEDICAID INVESTIGATION	\$ 18,640,452	\$ 18,640,452
Conduct Investigation Supporting Prosecution of Alleged Medicaid Crime.		
E. Goal: ADMINISTRATIVE SUPPORT FOR SORM		
Provide Administrative Support for the State Office of Risk Management.		
E.1.1. Strategy: ADMINISTRATIVE SUPPORT FOR SORM	\$ 639,249	\$ 639,249
Provide Administrative Support to the State Office of Risk Management.		
H Grand Total, OFFICE OF THE ATTORNEY GENERAL	\$ 573,227,523	\$ 575,350,065
I Object-of-Expense Informational Listing		
Salaries and Wages	\$ 236,200,273	\$ 236,200,273
Other Personnel Costs	7,945,677	7,945,677
Professional Fees and Services	74,151,609	85,890,341
Fuels and Lubricants	306,385	306,385
Consumable Supplies	1,711,577	1,711,577
Utilities	3,356,564	3,356,564
Travel	5,160,548	5,160,548
Rent - Building	18,063,647	18,063,647
Rent - Machine and Other	1,742,017	1,734,195
Other Operating Expense	144,842,656	146,121,901
Grants	52,331,027	42,402,355
Capital Expenditures	27,415,543	26,456,602
Total, Object-of-Expense Informational Listing	\$ 573,227,523	\$ 575,350,065
Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:		
J Employee Benefits		
Retirement	\$ 20,801,617	\$ 20,801,617
Group Insurance	47,647,574	50,489,677
Social Security	16,542,349	16,542,349
Benefits Replacement	473,380	407,107
Subtotal, Employee Benefits	\$ 85,464,920	\$ 88,240,750

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.

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 construction or building repair.

OFFICE OF THE ATTORNEY GENERAL

(Continued)

J	Debt Service		
	Lease Payments	\$ 280,248	\$ 218,372
	Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act	\$ 85,745,168	\$ 88,459,122

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

	2018	2019
A. Goal: PROVIDE LEGAL SERVICES		
Outcome (Results/Impact):		
Delinquent State Revenue Collected	45,000,000	45,000,000
A.1.1. Strategy: LEGAL SERVICES		
Output (Volume):		
Legal Hours Billed to Litigation and Legal Counsel	1,053,655	1,053,655
Efficiencies:		
Average Cost Per Legal Hour	96.93	96.92
B. Goal: ENFORCE CHILD SUPPORT LAW		
Outcome (Results/Impact):		
Percent of Title IV-D Cases That Have Court Orders for Child Support	82%	82%
Percent of All Current Child Support Amounts Due That Are Collected	65%	65%
Percent of Title IV-D Cases with Arrears Due in Which Any Amount Is Paid Toward Arrears	65%	65%
Percent of Paternity Establishments for Out of Wedlock Births	95%	95%
B.1.1. Strategy: CHILD SUPPORT ENFORCEMENT		
Output (Volume):		
Amount of Title IV-D Child Support Collected (in Millions)	4,160	4,210
Efficiencies:		
Ratio of Total Dollars Collected Per Dollar Spent	12.42	12.18
B.1.2. Strategy: STATE DISBURSEMENT UNIT		
Output (Volume):		
Number of Payment Receipts Processed by the SDU Vendor	23,700,000	24,900,000
C. Goal: CRIME VICTIMS' SERVICES		
Outcome (Results/Impact):		
Amount of Crime Victims' Compensation Awarded	56,957,876	58,470,374
C.1.1. Strategy: CRIME VICTIMS' COMPENSATION		
Efficiencies:		
Average Number of Days to Analyze a Claim and Make an Award	46	46
D. Goal: REFER MEDICAID CRIMES		
D.1.1. Strategy: MEDICAID INVESTIGATION		
Output (Volume):		
Number of Investigations Concluded	500	500

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

	2016	2017
a. Acquisition of Information Resource Technologies		
(1) Child Support Hardware/Software Enhancements	\$ 100,000	\$ 100,000
(2) Child Support TXCSES 2.0 Release 1	25,803,812	741,174

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

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

OFFICE OF THE ATTORNEY GENERAL
(Continued)

(3) Child Support TXCSES 2.0 Release 2	\$ 9,560,050	\$ 6,692,474
Total, Acquisition of Information Resource Technologies	\$ 35,463,862	\$ 7,533,648
b. Transportation Items		
(1) Child Support Motor Vehicles	\$ 163,494	\$ 163,494
c. Data Center Consolidation		
(1) Data Center Consolidation	\$ 46,734,045	\$ 53,062,011
d. Centralized Accounting and Payroll/Personnel System (CAPPS)		
(1) Converted PeopleSoft Licenses	\$ 55,662	\$ 55,662
Total, Capital Budget	\$ 82,417,063	\$ 60,814,815
Method of Financing (Capital Budget):		
General Revenue Fund	\$ 29,730,384	\$ 22,380,228
GR Dedicated - Compensation to Victims of Crime Account No. 469	186,654	186,654
Federal Funds	51,595,178	37,343,086
Other Funds		
Appropriated Receipts	789,449	789,449
Interagency Contracts	115,398	115,398
Subtotal, Other Funds	\$ 904,847	\$ 904,847
Total, Method of Financing	\$ 82,417,063	\$ 60,814,815

	2018	2019
a. Acquisition of Information Resource Technologies		
(1) Child Support Hardware/Software Enhancements	\$ 100,000	\$ 100,000
(2) Child Support TXCSES 2.0 Single Release	\$ 30,690,829	\$ 26,406,435
Total, Acquisition of Information Resource Technologies	\$ 30,790,829	\$ 26,506,435
b. Transportation Items		
(1) Child Support Motor Vehicles	\$ 288,000	\$ 192,000
c. Data Center Consolidation		
(1) Data Center Consolidation	\$ 51,636,341	\$ 51,981,462
d. Centralized Accounting and Payroll/Personnel System (CAPPS)		
(1) Converted PeopleSoft Licenses	\$ 57,055	\$ 57,055
Total, Capital Budget	\$ 82,772,225	\$ 78,736,952

M

Method of Financing (Capital Budget):

General Revenue Fund	\$ 30,044,584	\$ 28,869,771
GR Dedicated - Compensation to Victims of Crime Account No. 469	201,294	201,388
Federal Funds	51,934,855	49,074,255
Appropriated Receipts	493,677	493,677
Interagency Contracts	97,815	97,861
Total, Method of Financing	\$ 82,772,225	\$ 78,736,952

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.

GENERAL APPROPRIATIONS BILL COMPARISONS

FIGURE B-1
ALL FUNDS (2)

FIGURE B-1 ALL FUNDS (2)						
(IN MILLIONS)				COMPARISON OF CCR SBI		
FUNCTION	ESTIMATED/BUDGETED 2016-17 (1)	SENATE 2018-19	HOUSE 2018-19	CONFERENCE COMMITTEE 2018-19	TO ESTIMATED/BUDGETED \$ CHANGE	% CHANGE
Article I – General Government	\$7,043.9	\$5,805.5	\$5,677.2	\$6,240.8	(\$803.2)	(11.4%)
Article II – Health and Human Services	\$81,280.1	\$80,252.8	\$79,408.3	\$79,456.5	(\$1,823.6)	(2.2%)
Article III – Agencies of Education	\$79,148.6	\$79,525.4	\$79,610.6	\$80,433.0	\$1,284.4	1.6%
Public Education	\$58,895.8	\$59,292.0	\$59,073.1	\$59,944.8	\$1,049.1	1.8%
Higher Education	\$20,252.8	\$20,233.4	\$20,537.5	\$20,488.2	\$235.4	1.2%
Article IV – Judiciary	\$813.3	\$807.2	\$824.7	\$823.6	\$10.3	1.3%
Article V – Public Safety and Criminal Justice	\$12,575.5	\$12,186.7	\$11,356.6	\$12,311.7	(\$263.7)	(2.1%)
Article VI – Natural Resources	\$4,530.2	\$4,335.1	\$4,346.0	\$4,544.5	\$14.2	0.3%
Article VII – Business and Economic Development	\$29,649.6	\$33,605.3	\$33,604.8	\$31,845.8	\$2,196.2	7.4%
Article VIII – Regulatory	\$956.4	\$639.9	\$626.3	\$630.6	(\$325.8)	(34.1%)
Article IX – General Provisions	\$0.0	\$190.0	\$2,312.2	\$83.9	\$83.9	N/A
Article X – Legislature	\$400.9	\$386.6	\$380.6	\$387.5	(\$13.3)	(3.3%)
Total, All Functions	\$216,398.5	\$217,734.4	\$218,147.4	\$216,757.9	\$359.4	0.2%
NOTES:						
(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.						
(2) Excludes Interagency Contracts.						
SOURCE: Legislative Budget Board.						

NOTES:

(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.

(2) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B–2
GENERAL REVENUE FUNDS

FUNCTION	ESTIMATED/BUDGETED 2016–17 (1)	SENATE 2018–19	HOUSE 2018–19	CONFERENCE COMMITTEE 2018–19	COMPARISON OF CCR SBI	
					TO ESTIMATED/BUDGETED	% CHANGE
					\$ CHANGE	
Article I – General Government	\$3,315.6	\$3,190.0	\$3,101.1	\$3,277.6	(\$38.0)	(1.1%)
Article II – Health and Human Services	\$33,575.3	\$33,989.1	\$33,460.1	\$33,464.3	(\$111.1)	(0.3%)
Article III – Agencies of Education	\$56,291.6	\$54,928.8	\$54,900.2	\$55,894.8	(\$396.8)	(0.7%)
Public Education	\$41,593.5	\$40,236.9	\$40,019.1	\$40,957.6	(\$635.9)	(1.5%)
Higher Education	\$14,698.1	\$14,691.9	\$14,881.1	\$14,937.2	\$239.1	1.6%
Article IV – Judiciary	\$503.3	\$491.6	\$495.7	\$494.6	(\$8.7)	(1.7%)
Article V – Public Safety and Criminal Justice	\$11,606.6	\$11,415.4	\$10,583.8	\$11,416.3	(\$190.3)	(1.6%)
Article VI – Natural Resources	\$818.4	\$823.9	\$757.4	\$895.2	\$76.8	9.4%
Article VII – Business and Economic Development	\$1,162.6	\$548.0	\$549.9	\$547.7	(\$614.9)	(52.9%)
Article VIII – Regulatory	\$337.1	\$351.7	\$341.6	\$344.7	\$7.5	2.2%
Article IX – General Provisions	\$0.0	\$190.0	(\$203.6)	\$4.5	\$4.5	N/A
Article X – Legislature	\$400.8	\$386.4	\$380.4	\$387.3	(\$13.4)	(3.4%)
Total, All Functions	\$108,011.4	\$106,314.9	\$104,366.6	\$106,726.9	(\$1,284.4)	(1.2%)

NOTE: (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
SOURCE: Legislative Budget Board.

FIGURE B–3
GENERAL REVENUE–DEDICATED FUNDS

FUNCTION	ESTIMATED/BUDGETED 2016–17 (1)	SENATE 2018–19	HOUSE 2018–19	CONFERENCE COMMITTEE 2018–19	COMPARISON OF CCR SBI	
					TO ESTIMATED/BUDGETED	% CHANGE
					\$ CHANGE	
Article I – General Government	\$1,056.0	\$565.2	\$527.3	\$623.5	(\$432.5)	(41.0%)
Article II – Health and Human Services	\$1,172.4	\$1,038.4	\$1,028.5	\$577.0	(\$595.4)	(50.8%)
Article III – Agencies of Education	\$2,913.0	\$2,861.0	\$2,975.1	\$2,869.2	(\$43.8)	(1.5%)
<i>Public Education</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A
<i>Higher Education</i>	\$2,913.0	\$2,861.0	\$2,975.1	\$2,869.2	(\$43.8)	(1.5%)
Article IV – Judiciary	\$143.2	\$133.4	\$133.4	\$133.4	(\$9.9)	(6.9%)
Article V – Public Safety and Criminal Justice	\$132.2	\$34.1	\$32.7	\$34.0	(\$98.2)	(74.3%)
Article VI – Natural Resources	\$1,503.4	\$1,337.3	\$1,420.9	\$1,358.9	(\$144.5)	(9.6%)
Article VII – Business and Economic Development	\$505.9	\$499.4	\$506.3	\$499.1	(\$6.7)	(1.3%)
Article VIII – Regulatory	\$577.8	\$253.0	\$249.5	\$250.7	(\$327.1)	(56.6%)
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	\$30.4	\$30.4	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A
Total, All Functions	\$8,003.8	\$6,721.9	\$6,873.7	\$6,376.3	(\$1,627.6)	(20.3%)

NOTE: (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
SOURCE: Legislative Budget Board.

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

FUNCTION	ESTIMATED/BUDGETED 2016-17 (1)	SENATE 2018-19	HOUSE 2018-19	CONFERENCE COMMITTEE 2018-19	COMPARISON OF CCR SBI TO ESTIMATED/BUDGETED	
					\$ CHANGE	% CHANGE
Article I – General Government	\$4,371.6	\$3,755.3	\$3,628.4	\$3,901.1	(\$470.4)	(10.8%)
Article II – Health and Human Services	\$34,747.7	\$35,027.5	\$34,488.6	\$34,041.2	(\$706.5)	(2.0%)
Article III – Agencies of Education	\$59,204.7	\$57,789.8	\$57,875.4	\$58,764.0	(\$440.6)	(0.7%)
Public Education	\$41,593.5	\$40,236.9	\$40,019.1	\$40,957.6	(\$635.9)	(1.5%)
Higher Education	\$17,611.2	\$17,552.9	\$17,856.3	\$17,806.4	\$195.2	1.1%
Article IV – Judiciary	\$646.5	\$625.1	\$629.0	\$627.9	(\$18.6)	(2.9%)
Article V – Public Safety and Criminal Justice	\$11,738.8	\$11,449.5	\$10,616.4	\$11,450.4	(\$288.4)	(2.5%)
Article VI – Natural Resources	\$2,321.8	\$2,161.2	\$2,178.3	\$2,254.1	(\$67.7)	(2.9%)
Article VII – Business and Economic Development	\$1,668.5	\$1,047.5	\$1,056.2	\$1,046.8	(\$621.7)	(37.3%)
Article VIII – Regulatory	\$914.9	\$604.6	\$591.1	\$595.4	(\$319.6)	(34.9%)
Article IX – General Provisions	\$0.0	\$190.0	(\$203.6)	\$35.0	\$35.0	N/A
Article X – Legislature	\$400.8	\$386.4	\$380.4	\$387.3	(\$13.4)	(3.4%)
Total, All Functions	\$116,015.2	\$113,036.8	\$111,240.3	\$113,103.2	(\$2,912.0)	(2.5%)

NOTE: (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
SOURCE: Legislative Budget Board.

**FIGURE B–5
FEDERAL FUNDS**

(IN MILLIONS)		COMPARISON OF CCR SBI			
FUNCTION	ESTIMATED/BUDGETED 2016–17 (1)	SENATE 2018–19	HOUSE 2018–19	CONFERENCE COMMITTEE 2018–19	TO ESTIMATED/BUDGETED \$ CHANGE % CHANGE
Article I – General Government	\$1,005.3	\$1,188.9	\$1,187.4	\$1,189.2	\$183.9 18.3%
Article II – Health and Human Services	\$45,857.1	\$44,524.3	\$44,216.9	\$43,801.5	(\$2,055.7) (4.5%)
Article III – Agencies of Education	\$10,497.2	\$10,766.5	\$10,765.4	\$10,767.2	\$270.0 2.6%
Public Education	\$10,217.9	\$10,490.9	\$10,489.7	\$10,491.6	\$273.7 2.7%
Higher Education	\$279.3	\$275.6	\$275.7	\$275.6	(\$3.7) (1.3%)
Article IV – Judiciary	\$3.3	\$1.7	\$1.7	\$1.7	(\$1.6) (48.7%)
Article V – Public Safety and Criminal Justice	\$647.0	\$567.6	\$570.5	\$598.3	(\$48.7) (7.5%)
Article VI – Natural Resources	\$1,860.8	\$1,857.7	\$1,854.8	\$1,858.0	(\$2.8) (0.2%)
Article VII – Business and Economic Development	\$12,326.1	\$13,637.6	\$13,635.4	\$13,636.9	\$1,310.8 10.6%
Article VIII – Regulatory	\$8.6	\$5.9	\$5.8	\$5.9	(\$2.8) (32.2%)
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	\$0.2	\$0.2 N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0 N/A
Total, All Functions	\$72,205.5	\$72,550.2	\$72,238.0	\$71,858.8	(\$346.7) (0.5%)

NOTE: (1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.
SOURCE: Legislative Budget Board.

**FIGURE B–6
OTHER FUNDS (2)**

FUNCTION	ESTIMATED/BUDGETED 2016–17 (1)	SENATE 2018–19	HOUSE 2018–19	CONFERENCE COMMITTEE 2018–19	COMPARISON OF CCR SBI	
					TO ESTIMATED/BUDGETED \$ CHANGE	% CHANGE
Article I – General Government	\$1,667.1	\$861.3	\$861.4	\$1,150.5	(\$516.6)	(31.0%)
Article II – Health and Human Services	\$675.3	\$701.1	\$702.8	\$1,613.8	\$938.6	139.0%
Article III – Agencies of Education	\$9,446.7	\$10,969.0	\$10,969.8	\$10,901.7	\$1,455.0	15.4%
Public Education	\$7,084.4	\$8,564.3	\$8,564.2	\$8,495.7	\$1,411.3	19.9%
Higher Education	\$2,362.3	\$2,404.7	\$2,405.6	\$2,406.0	\$43.7	1.8%
Article IV – Judiciary	\$163.5	\$180.4	\$194.0	\$194.0	\$30.5	18.6%
Article V – Public Safety and Criminal Justice	\$189.6	\$169.6	\$169.6	\$263.1	\$73.4	38.7%
Article VI – Natural Resources	\$347.6	\$316.2	\$312.9	\$432.3	\$84.7	24.4%
Article VII – Business and Economic Development	\$15,655.1	\$18,920.3	\$18,913.3	\$17,162.1	\$1,507.1	9.6%
Article VIII – Regulatory	\$32.8	\$29.4	\$29.4	\$29.4	(\$3.4)	(10.4%)
Article IX – General Provisions	\$0.0	\$0.0	\$2,515.8	\$48.7	\$48.7	N/A
Article X – Legislature	\$0.1	\$0.2	\$0.2	\$0.2	\$0.1	97.2%
Total, All Functions	\$28,177.7	\$32,147.4	\$34,669.1	\$31,795.9	\$3,618.1	12.8%

NOTES:

(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.

(2) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B-7
GENERAL REVENUE FUNDS, GENERAL REVENUE-DEDICATED FUNDS, AND OTHER FUNDS (2)

FUNCTION	ESTIMATED/BUDGETED 2016-17 (1)	SENATE 2018-19	HOUSE 2018-19	CONFERENCE COMMITTEE 2018-19	COMPARISON OF CCR SBI	
					TO ESTIMATED/BUDGETED	% CHANGE
					\$ CHANGE	
Article I – General Government	\$6,038.6	\$4,616.5	\$4,489.8	\$5,051.6	(\$987.0)	(16.3%)
Article II – Health and Human Services	\$35,423.0	\$35,728.6	\$35,191.4	\$35,655.1	\$232.1	0.7%
Article III – Agencies of Education	\$68,651.4	\$68,758.8	\$68,845.2	\$69,665.8	\$1,014.4	1.5%
Public Education	\$48,677.9	\$48,801.1	\$48,583.4	\$49,453.3	\$775.4	1.6%
Higher Education	\$19,973.4	\$19,957.6	\$20,261.8	\$20,212.4	\$239.0	1.2%
Article IV – The Judiciary	\$810.0	\$805.5	\$823.0	\$821.9	\$11.9	1.5%
Article V – Public Safety and Criminal Justice	\$11,928.4	\$11,619.1	\$10,786.0	\$11,713.4	(\$215.0)	(1.8%)
Article VI – Natural Resources	\$2,669.4	\$2,477.4	\$2,491.2	\$2,686.4	\$17.0	0.6%
Article VII – Business and Economic Development	\$17,323.5	\$19,967.7	\$19,969.4	\$18,208.9	\$885.4	5.1%
Article VIII – Regulatory	\$947.7	\$634.0	\$620.5	\$624.8	(\$323.0)	(34.1%)
Article IX – General Provisions	\$0.0	\$190.0	\$2,312.2	\$83.7	\$83.7	N/A
Article X – The Legislature	\$400.9	\$386.6	\$380.6	\$387.5	(\$13.3)	(3.3%)
Total, All Functions	\$144,192.9	\$145,184.2	\$145,909.4	\$144,899.1	\$706.1	0.5%

NOTES:

(1) Includes supplemental spending adjustments pursuant to House Bill 2, Eighty-fifth Legislature, 2017.

(2) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.