



LEGISLATIVE BUDGET BOARD

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

SENATE

SUBMITTED TO THE SENATE COMMITTEE ON FINANCE

PREPARED BY LEGISLATIVE BUDGET BOARD STAFF

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INTRODUCTION

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

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

The Legislature uses four methods of finance to appropriate funds to state agencies and public institutions of higher education: General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, and Other Funds. **All Funds** is the summation of the methods of finance.

- **General Revenue Funds** include the nondedicated portion of the General Revenue Fund, which is the state's primary operating fund. General Revenue Funds also include the Available School Fund, the State Instructional Materials Fund, and the Foundation School Fund.
- **General Revenue–Dedicated Funds** include approximately 200 accounts within the General Revenue Fund that are dedicated for specific purposes by statute or the funds-consolidation process. For example, Clean Air Account Number 151 is funded primarily through a portion of motor vehicle inspection fees and a portion of air pollution control fees. These revenues are statutorily dedicated to the Texas Commission on Environmental Quality to provide funding for various air quality, monitoring and permitting programs.
- **Federal Funds** include grants, allocations, payments, or reimbursements received from the federal government by state agencies and institutions. The largest portion of federal funding appropriations is for the Medicaid program in Article II. Other examples of Federal Funds appropriations include the U.S. Social Security Act, the U.S. Every Student Succeeds Act (Title I), Grants to Local Educational Agencies, National School Lunch Program, Transportation Grants and National Highway System Funding, Special Education Basic State Grants, and the Children's Health Insurance Program.
- **Other Funds** consist of any funds not included in the General Revenue Fund (dedicated or not) or Federal Funds. Examples of Other Funds appropriations include those from the State Highway Fund, the Texas Mobility Fund, the Property Tax Relief Fund, the Economic Stabilization Fund, trust funds, bond proceeds, and Interagency Contracts.

The introduction chapter of the summary provides a high-level overview of the General Appropriations Bill. **Figures 1 to 14** provide the total appropriations for the 2020–21 biennium by each method of finance for each article in the bill compared to the 2018–19 biennium expended/budgeted level of funding. This chapter includes highlights of major funding items, significant policy, or fiscal issues across the state; examples of factors affecting the state budget, including budget drivers such as correctional population or public school daily attendance; and a reconciliation of the base funding that explains how the previous biennium's appropriations have been adjusted during the 2018–19 biennium.

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

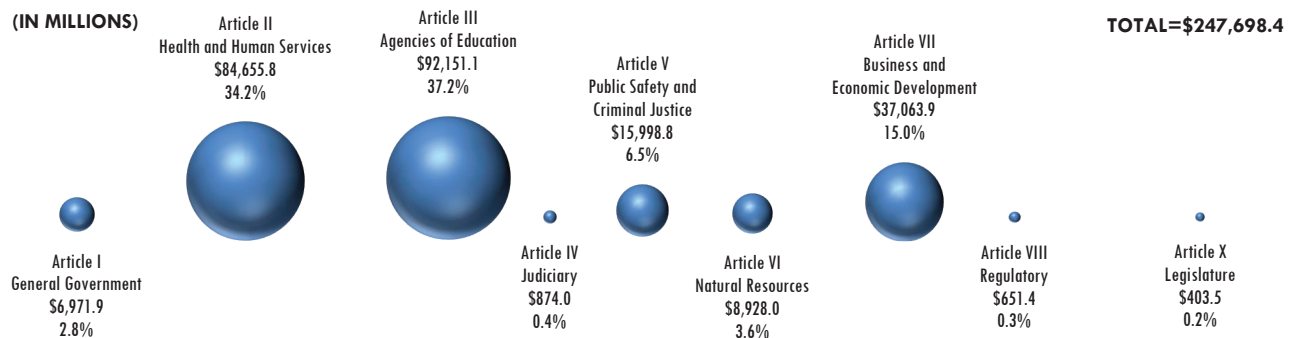
Following the introduction chapter are article-specific chapters. Each chapter provides an overview of the total article appropriations by agency or institution, including estimated and budgeted expenditures for the 2018–19 biennium, recommended appropriation levels in the 2020–21 General Appropriations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

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

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

FUNDING BY ARTICLE

FIGURE 1
FUNDING BY ARTICLE, ALL FUNDS



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

FIGURE 2
FUNDING BY ARTICLE, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$7,503.3	\$6,971.9	(\$531.5)	(7.1%)
Article II – Health and Human Services	\$83,584.2	\$84,655.8	\$1,071.6	1.3%
Article III – Agencies of Education	\$81,229.0	\$92,151.1	\$10,922.0	13.4%
<i>Public Education</i>	\$60,492.7	\$70,595.0	\$10,102.3	16.7%
<i>Higher Education</i>	\$20,736.3	\$21,556.0	\$819.7	4.0%
Article IV – Judiciary	\$857.1	\$874.0	\$17.0	2.0%
Article V – Public Safety and Criminal Justice	\$18,378.5	\$15,998.8	(\$2,379.7)	(12.9%)
Article VI – Natural Resources	\$6,566.0	\$8,928.0	\$2,362.1	36.0%
Article VII – Business and Economic Development	\$36,587.5	\$37,063.9	\$476.4	1.3%
Article VIII – Regulatory	\$671.7	\$651.4	(\$20.3)	(3.0%)
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$392.8	\$403.5	\$10.6	2.7%
Total, All Articles	\$235,770.2	\$247,698.4	\$11,928.2	5.1%

NOTES:

- (1) Includes certain anticipated supplemental spending adjustments in Article 2, but does not reflect all appropriations made in the Committee Substitute for Senate Bill 500.
- (2) Excludes Interagency Contracts.
- (3) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 3
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS



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

FIGURE 4
FUNDING BY ARTICLE, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$3,406.9	\$3,798.1	\$391.2	11.5%
Article II – Health and Human Services	\$34,716.3	\$33,795.1	(\$921.2)	(2.7%)
Article III – Agencies of Education	\$56,458.4	\$64,473.1	\$8,014.8	14.2%
<i>Public Education</i>	\$41,548.7	\$48,906.3	\$7,357.6	17.7%
<i>Higher Education</i>	\$14,909.7	\$15,566.8	\$657.1	4.4%
Article IV – Judiciary	\$490.8	\$520.7	\$30.0	6.1%
Article V – Public Safety and Criminal Justice	\$11,322.1	\$12,051.4	\$729.2	6.4%
Article VI – Natural Resources	\$910.6	\$936.8	\$26.2	2.9%
Article VII – Business and Economic Development	\$496.5	\$483.5	(\$13.0)	(2.6%)
Article VIII – Regulatory	\$345.3	\$367.4	\$22.1	6.4%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$392.7	\$403.3	\$10.5	2.7%
Total, All Articles	\$108,539.7	\$116,829.5	\$8,289.8	7.6%

NOTES:

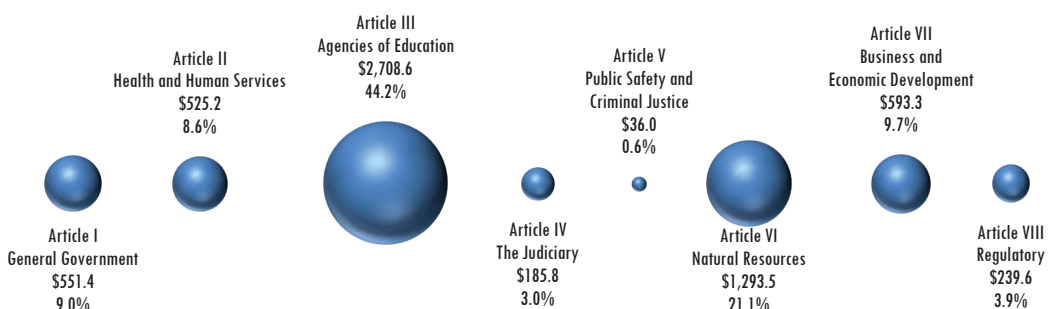
- (1) Includes certain anticipated supplemental spending adjustments in Article 2, but does not reflect all appropriations made in the Committee Substitute for Senate Bill 500.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 5
FUNDING BY ARTICLE, GENERAL REVENUE–DEDICATED FUNDS

(IN MILLIONS)

TOTAL=\$6,133.4



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

FIGURE 6
FUNDING BY ARTICLE, GENERAL REVENUE–DEDICATED FUNDS

(IN MILLIONS)

ALL FUNCTIONS

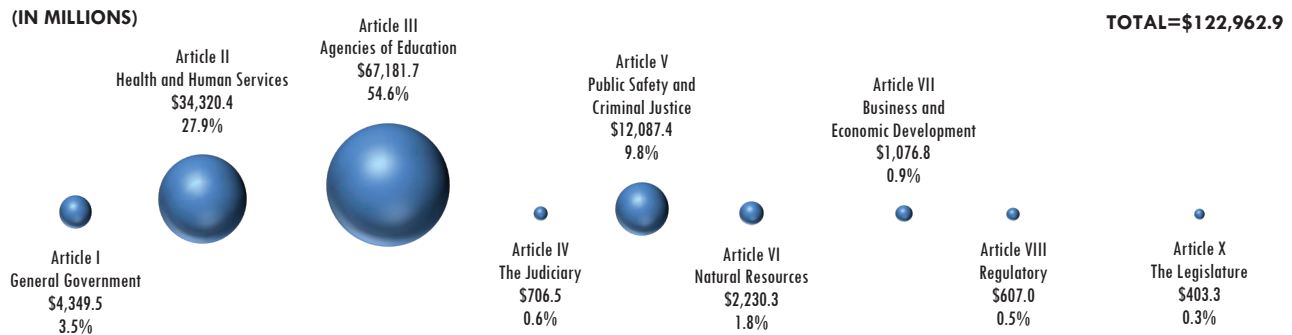
	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$858.5	\$551.4	(\$307.1)	(35.8%)
Article II – Health and Human Services	\$566.9	\$525.2	(\$41.6)	(7.3%)
Article III – Agencies of Education	\$2,822.5	\$2,708.6	(\$113.9)	(4.0%)
<i>Public Education</i>	\$0.0	\$0.0	\$0.0	N/A
<i>Higher Education</i>	\$2,822.5	\$2,708.6	(\$113.9)	(4.0%)
Article IV – Judiciary	\$141.1	\$185.8	\$44.7	31.7%
Article V – Public Safety and Criminal Justice	\$42.0	\$36.0	(\$6.0)	(14.3%)
Article VI – Natural Resources	\$1,366.6	\$1,293.5	(\$73.2)	(5.4%)
Article VII – Business and Economic Development	\$571.9	\$593.3	\$21.4	3.7%
Article VIII – Regulatory	\$236.1	\$239.6	\$3.5	1.5%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A
Total, All Articles	\$6,605.5	\$6,133.4	(\$472.1)	(7.1%)

NOTES:

- (1) Includes certain anticipated supplemental spending adjustments in Article 2, but does not reflect all appropriations made in the Committee Substitute for Senate Bill 500.
- (2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

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



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

SOURCE: Legislative Budget Board.

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

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$4,265.4	\$4,349.5	\$84.1	2.0%
Article II – Health and Human Services	\$35,283.2	\$34,320.4	(\$962.8)	(2.7%)
Article III – Agencies of Education	\$59,280.9	\$67,181.7	\$7,900.9	13.3%
<i>Public Education</i>	\$41,548.7	\$48,906.3	\$7,357.6	17.7%
<i>Higher Education</i>	\$17,732.2	\$18,275.4	\$543.2	3.1%
Article IV – Judiciary	\$631.8	\$706.5	\$74.7	11.8%
Article V – Public Safety and Criminal Justice	\$11,364.1	\$12,087.4	\$723.2	6.4%
Article VI – Natural Resources	\$2,277.2	\$2,230.3	(\$46.9)	(2.1%)
Article VII – Business and Economic Development	\$1,068.4	\$1,076.8	\$8.4	0.8%
Article VIII – Regulatory	\$581.4	\$607.0	\$25.6	4.4%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$392.7	\$403.3	\$10.5	2.7%
Total, All Articles	\$115,145.1	\$122,962.9	\$7,817.7	6.8%

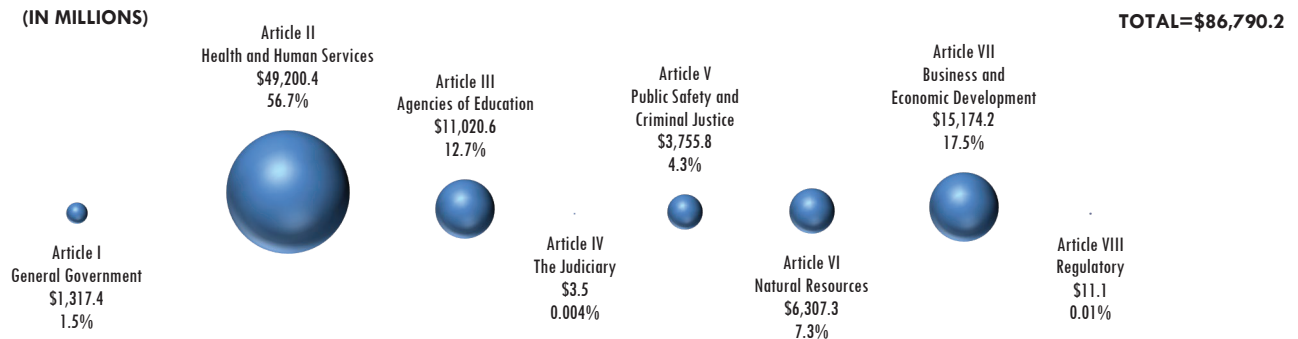
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(2) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

FIGURE 9
FUNDING BY ARTICLE, FEDERAL FUNDS



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

SOURCE: Legislative Budget Board.

FIGURE 10
FUNDING BY ARTICLE, FEDERAL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$1,264.2	\$1,317.4	\$53.2	4.2%
Article II – Health and Human Services	\$46,704.3	\$49,200.4	\$2,496.1	5.3%
Article III – Agencies of Education	\$10,802.5	\$11,020.6	\$218.1	2.0%
<i>Public Education</i>	\$10,519.7	\$10,727.2	\$207.5	2.0%
<i>Higher Education</i>	\$282.8	\$293.4	\$10.5	3.7%
Article IV – Judiciary	\$4.0	\$3.5	(\$0.5)	(12.4%)
Article V – Public Safety and Criminal Justice	\$6,748.5	\$3,755.8	(\$2,992.8)	(44.3%)
Article VI – Natural Resources	\$3,823.6	\$6,307.3	\$2,483.8	65.0%
Article VII – Business and Economic Development	\$14,715.8	\$15,174.2	\$458.4	3.1%
Article VIII – Regulatory	\$12.6	\$11.1	(\$1.6)	(12.5%)
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A
Total, All Articles	\$84,075.6	\$86,790.2	\$2,714.7	3.2%

NOTES:

- (1) Includes certain anticipated supplemental spending adjustments in Article 2, but does not reflect all appropriations made in the Committee Substitute for Senate Bill 500.
- (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



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

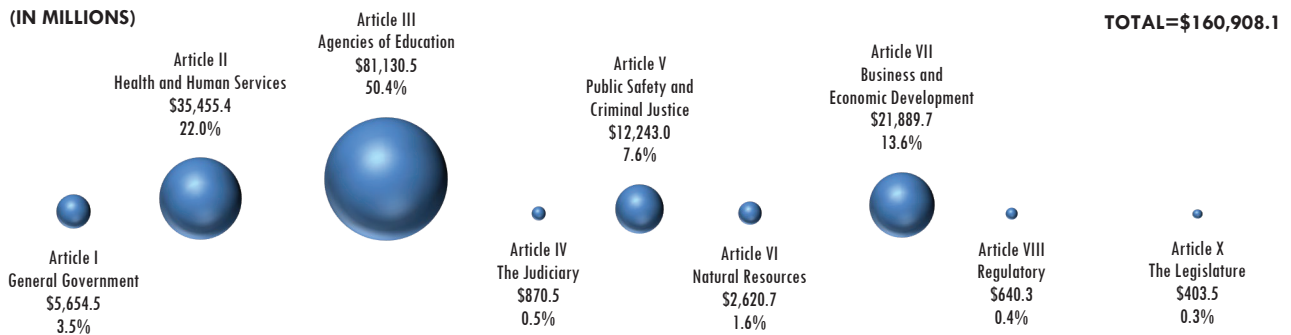
(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$1,973.7	\$1,305.0	(\$668.7)	(33.9%)
Article II – Health and Human Services	\$1,596.7	\$1,135.0	(\$461.7)	(28.9%)
Article III – Agencies of Education	\$11,145.7	\$13,948.7	\$2,803.1	25.1%
<i>Public Education</i>	\$8,424.4	\$10,961.5	\$2,537.1	30.1%
<i>Higher Education</i>	\$2,721.3	\$2,987.3	\$265.9	9.8%
Article IV – Judiciary	\$221.2	\$164.0	(\$57.2)	(25.9%)
Article V – Public Safety and Criminal Justice	\$265.9	\$155.7	(\$110.2)	(41.4%)
Article VI – Natural Resources	\$465.2	\$390.4	(\$74.8)	(16.1%)
Article VII – Business and Economic Development	\$20,803.3	\$20,812.9	\$9.6	0.0%
Article VIII – Regulatory	\$77.6	\$33.3	(\$44.3)	(57.1%)
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$0.1	\$0.2	\$0.1	133.0%
Total, All Articles	\$36,549.4	\$37,945.2	\$1,395.8	3.8%

NOTES:

- (1) Includes certain anticipated supplemental spending adjustments in Article 2, but does not reflect all appropriations made in the Committee Substitute for Senate Bill 500.
- (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)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
ALL FUNCTIONS				
Article I – General Government	\$6,239.1	\$5,654.5	(\$584.6)	(9.4%)
Article II – Health and Human Services	\$36,879.9	\$35,455.4	(\$1,424.5)	(3.9%)
Article III – Agencies of Education	\$70,426.5	\$81,130.5	\$10,704.0	15.2%
<i>Public Education</i>	\$49,973.1	\$59,867.8	\$9,894.8	19.8%
<i>Higher Education</i>	\$20,453.5	\$21,262.7	\$809.2	4.0%
Article IV – Judiciary	\$853.0	\$870.5	\$17.5	2.0%
Article V – Public Safety and Criminal Justice	\$11,630.0	\$12,243.0	\$613.0	5.3%
Article VI – Natural Resources	\$2,742.4	\$2,620.7	(\$121.7)	(4.4%)
Article VII – Business and Economic Development	\$21,871.7	\$21,889.7	\$18.0	0.1%
Article VIII – Regulatory	\$659.1	\$640.3	(\$18.7)	(2.8%)
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A
Article X – Legislature	\$392.8	\$403.5	\$10.6	2.7%
Total, All Articles	\$151,694.6	\$160,908.1	\$9,213.5	6.1%

NOTES:

(1) Includes certain anticipated supplemental spending adjustments in Article 2, but does not reflect all appropriations made in the Committee Substitute for Senate Bill 500.

(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 SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL 1

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

CONTINGENCIES FOR TEACHER AND SCHOOL LIBRARIAN SALARY INCREASE, PROPERTY TAX RELIEF AND REDUCING RELIANCE ON RECAPTURE, AND ADDITIONAL FUNDING FOR PUBLIC SCHOOLS

- A total of \$9.0 billion in General Revenue Funds above current law funding for public schools is provided for teacher and school librarian salary increases and associated benefits, property tax relief, and public education funding, contingent on enactment of legislation making such changes. Funding consists of the following amounts:
 - \$4.0 billion in General Revenue Funds is provided for classroom teacher and school librarian salary increases, contingent on enactment of legislation providing a classroom teacher and librarian salary increase. Included in the \$4.0 billion is \$293.2 million appropriated to the Teacher Retirement System for the benefits associated with the salary increases;
 - \$2.7 billion in General Revenue Funds is provided for property tax relief and reducing reliance on recapture paid by school districts, contingent on enactment of legislation; and
 - \$2.3 billion is provided for additional public education funding contingent on enactment of legislation making changes to the school finance system, to be distributed in a manner specified by the legislation.

FOUNDATION SCHOOL PROGRAM

- In addition to the contingency funding listed previously, funding of \$43.6 billion in All Funds is provided for state aid to school districts and charter schools through the Foundation School Program (FSP).
- Including FSP amounts from the public education contingency funding (\$8.7 billion for the FSP, excluding \$0.3 million to the Teacher Retirement System for teacher benefits), the FSP All Funds amount of \$52.3 billion represents a \$9.6 billion, or 22.4 percent, increase from the 2018–19 biennium.
- Appropriations for the FSP fully fund current law, and include an estimated \$2.4 billion for student enrollment growth and \$2.2 billion in additional state aid above the 2018–19 biennial funding level for the Tier 2 enrichment funding guaranteed yield associated with the Austin Independent School District. General Revenue Funds for the New Instructional Facilities Allotment increase by \$4.5 million for the 2020–21 biennium to the annual statutory maximum of \$26.0 million.

MEDICAID

- Funding of \$67.0 billion in All Funds, including \$25.0 billion in General Revenue Funds and \$0.1 billion in General Revenue–Dedicated Funds, is provided for the Texas Medicaid program. This amount is an increase of \$1.4 billion in All Funds and a decrease of \$1.6 billion in General Revenue Funds from 2018–19 biennial levels.
- Included in these amounts is \$62.2 billion in All Funds for Medicaid client services, \$1.8 billion in All Funds for programs supported by Medicaid funding, and \$3.0 billion in All Funds for administration of the Medicaid program and other programs supported by Medicaid funding. The increase in Medicaid funding is due to increases of \$1.2 billion in All Funds in Medicaid client services, \$0.1 billion in All Funds in other programs supported by Medicaid funding, and \$58.9 million in All Funds in administrative funding.
- Increased All Funds funding for Medicaid client services supports caseload growth, maintains fiscal year 2019 average costs for most services, and provides funding for cost growth associated with average costs established by the federal government. Funding is also provided by 1,628 additional waiver slots to reduce the interest list for certain community-

based waiver services, rate enhancements across community-based programs to increase attendant compensation, and an add-on payment for labor and delivery services provided by rural hospitals. More favorable Federal Medical Assistance Percentages result in a higher proportion of the program being funded with Federal Funds, more than offsetting increased General Revenue Funds demand associated with caseload and costs resulting in an overall decrease to General Revenue Funds of \$1.4 billion.

- Funding levels assume savings of \$900.0 million in All Funds, including \$350.0 million in General Revenue Funds, for Medicaid cost-containment initiatives. Full funding for anticipated increases in cost due to medical inflation, higher utilization, or increased acuity is not included.
- The 2018–19 biennial spending levels for Medicaid client services assume \$4.4 billion in All Funds, including \$2.1 billion in General Revenue Funds, in supplemental funding to complete fiscal year 2019 expenditures, as included in the Senate version of the supplemental appropriations bill.

CHILD PROTECTIVE SERVICES

- Funding of \$3.8 billion in All Funds, including \$2.2 billion in General Revenue Funds, is provided for all Child Protective Services (CPS) functions at the Department of Family Services (DFPS). This amount is an increase of \$271.7 million in All Funds and \$168.7 million in General Revenue Funds from the 2018–19 biennial base.
- CPS funding includes a total of \$1.9 billion in All Funds and \$904.2 million in General Revenue Funds for client services programs, including foster care, adoption subsidies, permanency care assistance payments, relative caregiver monetary assistance payments, and day care.
- Funding includes \$1.6 billion in All Funds for CPS direct delivery staff, including services provided through Community-based Care. This amount includes increased funding for additional full-time-equivalent (FTE) positions to maintain caseloads per worker for most caseworkers and to reduce caseloads per worker for conservatorship, kinship, foster and adoptive developmental home (FAD) and residential child care investigator caseworkers. This amount also includes increased funding and a reduction in FTE positions to biennialize Community-based Care expansion that occurred in fiscal year 2019 and expand Community-based Care into two new regions and into stage 2 in Regions 3B, 2, and 8A.
- The Senate version of the supplemental appropriations bill includes \$83.5 million in General Revenue Funds to complete fiscal year 2019 expenditures.

TRANSPORTATION

- Funding provides \$31.1 billion in All Funds for all functions at the Department of Transportation; which includes the following amounts: an estimated \$5.0 billion in funding from anticipated state sales tax deposits to the State Highway Fund (SHF) (Proposition 7, 2015); \$3.9 billion in funding from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014); and all available SHF from traditional transportation tax and fee revenue sources, estimated to be \$9.3 billion for the 2020–21 biennium.
- Funding provides \$27.2 billion in All Funds for highway planning and design, right-of-way acquisition, construction, and maintenance and preservation. The All Funds amount includes \$10.8 billion in Federal Funds; \$7.5 billion from traditional SHF revenue sources; \$4.4 billion from Proposition 7, 2015, proceeds and \$3.9 billion from Proposition 1, 2014, proceeds for constructing, maintaining, and acquiring rights-of-way for nontolled public roadways; and \$0.5 billion from the Texas Mobility Fund and regional toll project revenues.
- Funding provides \$2.2 billion in All Funds for debt service payments and other financing costs, including \$1.5 billion in Other Funds from the SHF and Texas Mobility Fund; \$0.6 billion in Other Funds from Proposition 7, 2015, SHF proceeds for General Obligation bond debt service; and \$117.0 million in Federal Funds from Build America Bond interest payment subsidies.

DISASTER RECOVERY AND INFRASTRUCTURE RESILIENCY

- The Senate version of the supplemental appropriations bill provides \$3.5 billion from the Economic Stabilization Fund to fund a number of significant initiatives that address damage to state assets due to Hurricane Harvey, to provide state participation and facilitation of the draw-down of federal aid programs for local government recovery efforts, and to invest in long-term infrastructure projects intended to lessen the impact to Texas from future disasters. Funding in the supplemental bill includes the following:
 - Harvey relief to public schools through the Foundation School Program. A total of \$905.5 million is provided to the Texas Education Agency to provide funding to school districts and charter schools affected by Hurricane Harvey. This amount includes funds for additional compensatory education-eligible students, facilities remediation costs, and amounts to hold schools harmless for revenue losses due to the loss of students and local property tax revenue due to the disaster;
 - Harvey-related facilities damage recovery at institutions of higher education. Institutions including a number of University of Houston campuses, Lone Star College, and the University of Austin Marine Science Institute are appropriated \$54.0 million for assistance in repairing facilities damaged by Harvey; and
 - Harvey-related response reimbursement and facilities damage recovery at state agencies. The supplemental appropriations bill provides \$348.5 million to state agencies, including the Department of Public Safety, the General Land Office, the Health and Human Services Commission, and the Texas Forest Service, among others. These funds are primarily either to reimburse agencies for response costs incurred in immediate aftermath of Hurricane Harvey, or to provide facilities repair funding.
- Texas Infrastructure Resiliency Fund. The supplemental bill provides \$1.65 billion in funding for the Texas Infrastructure Resiliency Fund (TIRF), contingent on the enactment of Senate Bill 7, or similar legislation. Within the TIRF, several sub-accounts are earmarked for the following purposes:
 - State participation in the nonfederal match for federal Harvey recovery programs. The bill provides \$810.0 million in state funds to assist local entities in drawing down federal disaster recovery funds under the Federal Emergency Management Agency's (FEMA) Public Assistance and Hazard Mitigation grant programs, and long-term infrastructure projects by the U.S. Army Corps of Engineers; and
 - State Flood Plan. The bill provides \$840.0 million to the Water Development Board to develop and fund projects under the State Flood Plan.
- Grants to strengthen earthen dams. The bill provides \$150.0 million to the Texas Soil and Water Conservation Board to fund the repair and improvement of earthen dams in the state.

BEHAVIORAL HEALTH

- Funding includes \$4.1 billion in All Funds (\$3.2 billion in General Revenue Funds and General Revenue–Dedicated Funds) for non-Medicaid/Children's Health Insurance Program (CHIP) behavioral health services. Funding supports programs at 21 agencies across six 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 other services. Funding also includes \$100.0 million in General Revenue Funds at the Texas Higher Education Coordinating Board contingent on passage of legislation relating to the creation of the Texas Mental Health Care Consortium, and \$59.1 million in All Funds (\$54.9 million in General Revenue Funds) to expand outpatient mental health treatment capacity for adults and children.
- Medicaid expenditures for behavioral health services, when including projected cost growth that is not funded, are estimated to total \$3.4 billion in All Funds for the 2020–21 biennium, and CHIP expenditures, when including projected cost growth that is not funded, are estimated to total \$111.7 million in All Funds. 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 FORMULA FUNDING

- Higher education formulas are supported by \$7.8 billion in General Revenue Funds and \$1.5 billion in statutory tuition in General Revenue–Dedicated Funds. Included in this amount are increases of \$550.9 million in General Revenue Funds and a decrease of \$2.4 million in General Revenue–Dedicated Funds, which is primarily statutory tuition.
- For most of the higher education formulas, the 2020–21 biennial rates are increased from 2018–19 biennial levels. For the Public Community and Junior Colleges, core operations and the contact hour rate from the 2018–19 biennium are maintained. Additionally, a new mission specific formula for The University of Texas Southwestern Medical Center, the Performance Based Research Operations formula is implemented for the 2020–21 biennium.

ADULT INCARCERATION

- Funding of \$6.9 billion in All Funds, including \$6.7 billion in General Revenue Funds and General Revenue–Dedicated Funds, is provided for the incarceration, probation, and parole of adult offenders in the Texas Department of Criminal Justice (TDCJ), which includes housing, security, classification, food and necessities, healthcare, and treatment services. All Funds increased by \$311.4 million for the 2020–21 biennium. Major Funding includes:
 - \$160.0 million for Correctional Managed Health Care for the 2018–19 biennium included in the Senate version of the supplemental appropriations bill; a continuation of that funding for the 2020–21 biennium, and an additional \$2.0 million for capital equipment;
 - \$85.6 million for a 5.0 percent salary increase for Correctional Officers and Parole, Hearing, and Institutional Parole Officers;
 - \$38.6 million transfer reimbursement for Hurricane Harvey relief in the Senate version of the supplemental appropriations bill;
 - \$30.0 million for Correctional Officer Overtime in the Senate version of the supplemental appropriations bill;
 - \$24.2 million increase for upgrades to the corrections information technology system;
 - \$10.1 million decrease for repair and rehabilitation of facilities;
 - \$10.0 million increase for video surveillance cameras;
 - \$9.1 million decrease to fund basic supervision and parole supervision;
 - \$4.0 million increase for pretrial diversion grants; and
 - \$2.6 million increase for educational and vocational pilot programs.

HUMAN TRAFFICKING PREVENTION AND LAW ENFORCEMENT

- Funding includes an estimated \$90.1 million for the prevention, investigation, and prosecution of human trafficking-related activities, an increase of \$64.9 million from the 2018–19 biennium. Funded initiatives include additional law enforcement, inspection and prosecution personnel at the Department of Public Safety, Alcoholic Beverage Commission, Department of Licensing and Regulation, Office of the Governor, and the Office of the Attorney General, and prevention services at the Department of Family and Protective Services. Additionally, a Human Trafficking Coordinating Council is established to coordinate statewide anti-human trafficking efforts.

BORDER SECURITY

- Funding of \$802.6 million in All Funds is provided to fund border security purposes at nine state agencies across multiple articles of government. The majority of this funding (\$696.0 million) is provided to the Department of Public Safety (DPS), \$435.2 million of which is in the agency's bill pattern in Goal B, Secure Texas. Other goals in the DPS budget contain additional funding for border security related functions and activities (\$260.8 million).

- Border security funding maintains support for DPS personnel at fiscal year 2019 full deployment levels while eliminating funding for onetime and transitional expenditures. Significant funding items include: \$671.1 million in 2018–19 biennial base border security funding provided for the Eighty-fifth Legislature’s border security initiative, including a 50.0-hour work week for all DPS’ commissioned law enforcement officers, full biennial costs of 22 Texas Rangers, and 250 new troopers and associated support staff; \$20.3 million for Human Trafficking and Anti-Gang task forces; and several other border security-related initiatives.
- Border security funding also includes:
 - \$52.0 million at Trusteed Programs within the Office of the Governor for grants to local entities and other support;
 - \$29.0 million at Texas Parks and Wildlife Department for enhanced game warden activity;
 - \$3.8 million at the Soil and Water Conservation Board for Carrizo cane removal; and
 - funding for investigations, prosecutions, and other border security-related activities across several state agencies.

TEACHER RETIREMENT AND HEALTH BENEFITS

- The Senate version of the supplemental appropriations bill includes \$542.0 million from the Economic Stabilization Fund for the Teacher Retirement System Trust Account. This funding includes \$347.0 million supporting a state contribution rate increase and \$195.0 million to provide retirees with a thirteenth check capped at \$500.
- In addition to amounts provided in the supplemental bill, funding of \$4.1 billion in All Funds is provided for the state contribution to retirement benefits of the Teacher Retirement System (TRS), including \$4.1 billion in General Revenue Funds, \$48.8 million in General Revenue–Dedicated Funds, and \$9.1 million in Other Funds (Teacher Retirement System Pension Trust Fund). Funding includes a state contribution rate of 6.8 percent of employee payroll during each fiscal year of the 2020–21 biennium.
- Retiree health insurance funding totals \$1.1 billion in General Revenue Funds. Funding includes \$879.4 million in General Revenue Funds to provide a statutorily required state contribution to TRS-Care of 1.25 percent of public education payroll. Funding also includes \$230.8 million above statutorily required amounts in General Revenue Funds to maintain plan year 2019 TRS-Care premiums and benefits during the 2020–21 biennium.
- Funding assumes 3.9 percent annual public education payroll growth across retirement and TRS-Care strategies and 5.6 percent annual higher education payroll growth. These assumptions are based on payroll and method-of-finance trend data.

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR

- Funding for the Trusteed Programs within the Office of the Governor totals \$1.3 billion in All Funds for the 2020–21 biennium, a decrease of \$193.2 million, or 13.0 percent, from the 2018–19 biennium.
- Disaster grants are appropriated all unexpended balances from the 2018–19 biennium, including balances from new disaster grant funding on \$100.0 million provided in the Senate version of the supplemental appropriations bill for fiscal year 2019.
- Funding for economic development and jobs creation is reflected in Strategy C.1.1, Create Jobs and Promote Texas, which includes programs for economic development, tourism, film and music marketing, the Texas Enterprise Fund, military community support, and the Governor’s University Research Initiative. Funding in the strategy for various economic development programs totals \$474.0 million in All Funds for the 2020–21 biennium, including the following amounts:
 - \$90.0 million in General Revenue Funds and \$60.0 million in estimated unexpended balances remaining at the end of fiscal year 2019 in the Texas Enterprise Fund for incentive grants. The funding represents an increase of \$4.0 million in General Revenue Funds and General Revenue–Dedicated Funds from the 2018–19 biennial level;

- \$30.0 million in General Revenue Funds and \$10.0 million in estimated unexpended balances remaining at the end of fiscal year 2019 in the Governor's University Research Initiative grants. The funding represents a decrease of \$15.5 million in General Revenue Funds and General Revenue–Dedicated Funds from the 2018–19 biennial level;
 - \$43.0 million in General Revenue Funds and \$7.0 million in estimated unexpended balances remaining at the end of fiscal year 2019 in the Moving Image Industry Incentive Program. The funding represents an increase of \$28.0 million in General Revenue Funds and General Revenue–Dedicated Funds from the 2018–19 biennial level;
 - \$110.2 million in General Revenue–Dedicated Funds from Hotel Occupancy Tax deposits for tourism promotion for the 2020–21 biennium. This appropriation is the same amount appropriated in the 2018–19 biennium (\$34.2 million), plus projected unobligated balances from the 2018–19 biennium (\$76.0 million); and
 - \$20.0 million in General Revenue Funds for Defense Economic Adjustment Assistance Grants and \$50.0 million in General Obligation Bond Proceeds for the Military Value Revolving Loan Program for loans to defense communities for economic development projects at the Texas Military Preparedness Commission.
- Funding includes an increase of \$45.8 million in Federal Funds primarily related to an increase in the federal allocation of Crime Victims Assistance and Homeland Security grants.

STATE FACILITIES

- Funding in the bill, and in the Senate version of the supplemental appropriations bill, includes an additional \$1,070.7 million in All Funds for projects to address the repair, renovation, and new construction of state facilities and historic sites, to address health and safety issues, maintenance, and other state needs. The following projects are among the major funded projects:
 - \$475.2 million in Revenue Bond authority at the Texas Facilities Commission (TFC) and \$7.3 million in General Revenue debt service for new construction projects at the Capitol Complex and North Austin Complex;
 - \$300.0 million from the Economic Stabilization Fund at the Health and Human Services Commission (HHSC) for the continuation of state mental health hospital renovation and construction (included in the supplemental appropriations bill);
 - \$108.1 million in General Revenue Funds at TFC for security repairs, interior renovations, and critical deferred maintenance and health and safety repairs;
 - \$58.0 million from the State Highway Fund at the Texas Department of Transportation for new buildings and \$28.5 million for repair and rehabilitation of existing facilities;
 - \$29.9 million in General Revenue Funds at the Texas Department of Criminal Justice for health and safety projects at state correctional facilities;
 - \$29.6 million in General Revenue at Texas State Technical College – Waco for the abatement and demolition of campus facilities (included in the supplemental appropriations bill).

INFORMATION TECHNOLOGY

- Funding for the Centralized Accounting and Payroll/Personnel System (CAPPS) provides a total of \$168.5 million. Included in this amount is \$96.8 million for the Comptroller of Public Accounts for ongoing statewide CAPPS operations and agency transitions to the system. In addition, funding of \$17.9 million is provided to 12 agencies for deployment efforts.
- Funding for Cybersecurity projects and initiatives provides a total of \$77.1 million to reduce the risk of threats to the confidentiality, integrity and/or availability of existing data and information systems.

- Funding includes \$625.5 million for Legacy Modernization projects to replace systems with obsolete or inefficient hardware or software technology.
- Funding for other information technology (IT) projects provides a total of \$538.3 million for various IT components including updates to existing systems, development projects for process improvement projects, such as transitions to paperless processes, procurement of new systems where none currently exist, computers, or software and hardware updates, voice over Internet protocol phone systems, network upgrades, and general modifications to IT infrastructure.

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

- Funding of \$1.3 billion in All Funds (\$942.6 million in General Revenue Funds and General Revenue–Dedicated Funds) is provided for the state contribution to the Employees Retirement System (ERS) retirement program. This amount represents an increase of \$22.4 million in All Funds (\$13.6 million in General Revenue Funds and General Revenue–Dedicated Funds) for state employees' retirement benefits, due to assuming 0.5 percent annual payroll growth. Funding provides for a 9.5 percent state contribution rate each fiscal year of the 2020–21 biennium. Recommendations also continue the additional retirement contribution from all general state agencies of 0.5 percent of the total base wages and salaries for each eligible employee for a total combined state contribution rate of 10.0 percent, the maximum pursuant to the Texas Constitution, Article XVI, Section 67 (b)(3).
- Funding of \$4.0 billion in All Funds (\$2.8 billion in General Revenue Funds and General Revenue–Dedicated Funds) is provided for the state contribution for group insurance benefits for general state employees, retirees, and their dependents. The funding reflects an increase of \$176.6 million in All Funds (\$116.6 million in General Revenue Funds and General Revenue–Dedicated Funds) driven by assumed active and retired member growth. Funding does not provide a per-member contribution rate increase and instead relies upon the agency spending down the contingency reserve fund, which has achieved historically high fund balances due to savings in health plan contracts.
- Funding of \$143.1 million in All Funds (all General Revenue Funds) is provided for health insurance contributions for local community supervision and correction department (CSCD) employees, retirees, and dependents, who also participate in the state's Group Benefits Program. Funding provides an increase of \$4.0 million. This appropriation was moved to ERS from the Department of Criminal Justice by the Eighty-fifth Legislature.
- Funding of \$1.8 billion in All Funds (\$1.4 billion in General Revenue Funds and General Revenue–Dedicated Funds) is provided for the state contribution for Social Security payroll taxes for employees of state agencies and institutions of higher education, an increase of \$47.6 million. Funding is sufficient to provide the 6.2 percent Social Security employer contribution and the 1.45 percent Medicare employer contribution. Funding assumes 0.5 percent annual payroll growth for state agency employees in each year of the biennium and 1.9 and 2.0 percent annual payroll growth in fiscal years 2020 and 2021, respectively, for higher education employees.
- Funding provides for 216,614.2 full-time-equivalent (FTE) positions for fiscal year 2020, and 217,126.5 positions for fiscal year 2021. The number of FTE positions for fiscal year 2021 is an increase of 217.2 from fiscal year 2019 budgeted levels, which is related primarily to aligning FTE position caps with funding levels.

DEBT SERVICE

- Funding for the 2020–21 biennium fully funds debt service and totals \$4.2 billion in All Funds. This amount is a decrease of \$71.7 million, or 2.0 percent, from the 2018–19 biennium. Funding provides for debt service for General Obligation and revenue debt issued, or expected to be issued, by the Texas Public Finance Authority, the 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

- No new appropriations from the Economic Stabilization Fund are included for the 2020–21 biennium. In addition, the Senate version of the supplemental appropriations bill includes appropriations of \$4,360.9 million from the Economic

Stabilization Fund. The resulting cash balance of the fund plus the total asset value of investments are estimated to be \$10.7 billion at the end of fiscal year 2021.

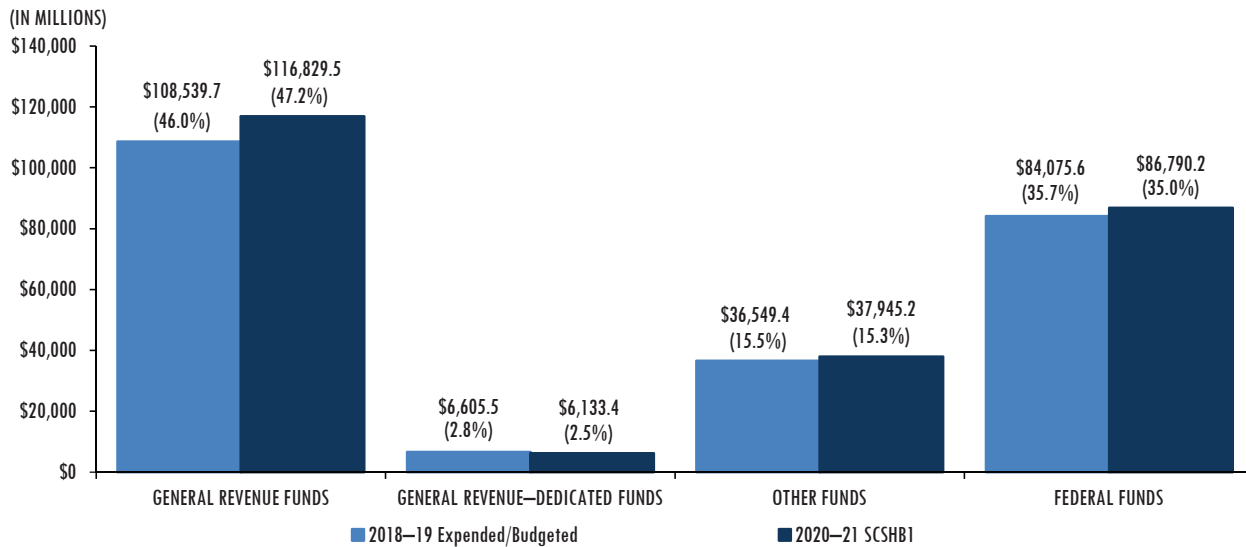
STRATEGIC FISCAL REVIEW

- Eleven state agencies were subject to the Strategic Fiscal Review (SFR) in preparation for the Eighty-sixth Legislature, 2019. The public service non-formula support items of institutions of higher education also were subject to the SFR. Agencies subject to review are noted as such in this summary. The SFR provided an in-depth analysis of the selected state agency programs and their relationships to the agency's mission and statutes. Legislative Budget Board staff analysis that resulted from this review is available to the members of the Legislature to aid in their budget and policy deliberations.

BIENNIAL COMPARISON BY FUND SOURCE

Figure 15 shows a comparison of biennial amounts for each of the four fund sources, or methods of finance, in the state budget. Estimated and budgeted amounts for the 2018–19 biennium refer to agency estimated expenditures during fiscal year 2018 and agency-budgeted amounts for fiscal year 2019. Senate Committee Substitute for House Bill 1 (SCSHB1) funding refers to biennial amounts contained in this summary’s version of the 2020–21 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 2018–19 ESTIMATED/BUDGETED AND 2020–21 SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 (SCSHB1)



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

FACTORS AFFECTING THE STATE BUDGET

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

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

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

FIGURE 16
POPULATION-BASED INDICATORS
FISCAL YEARS 2006 TO 2018

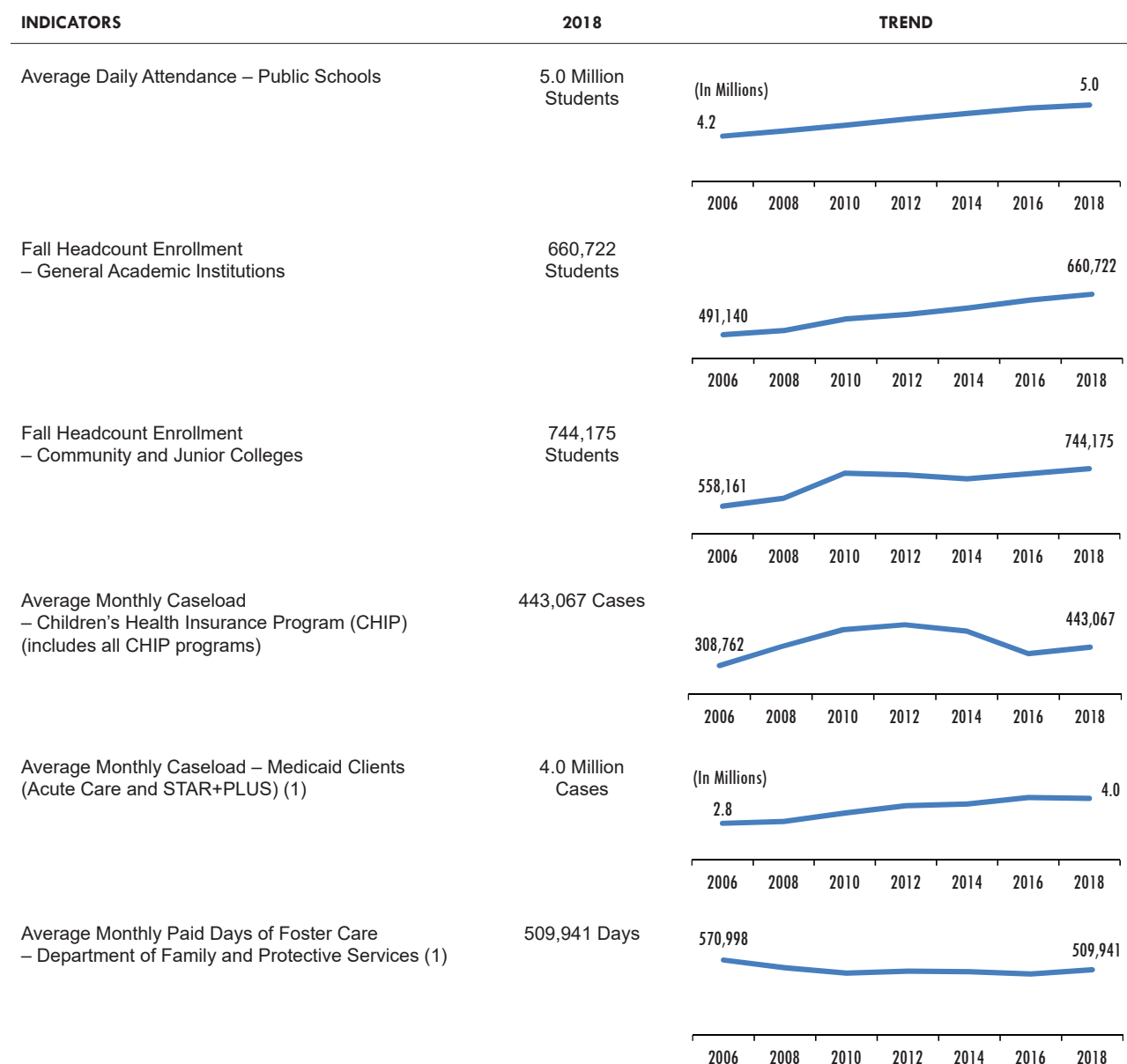
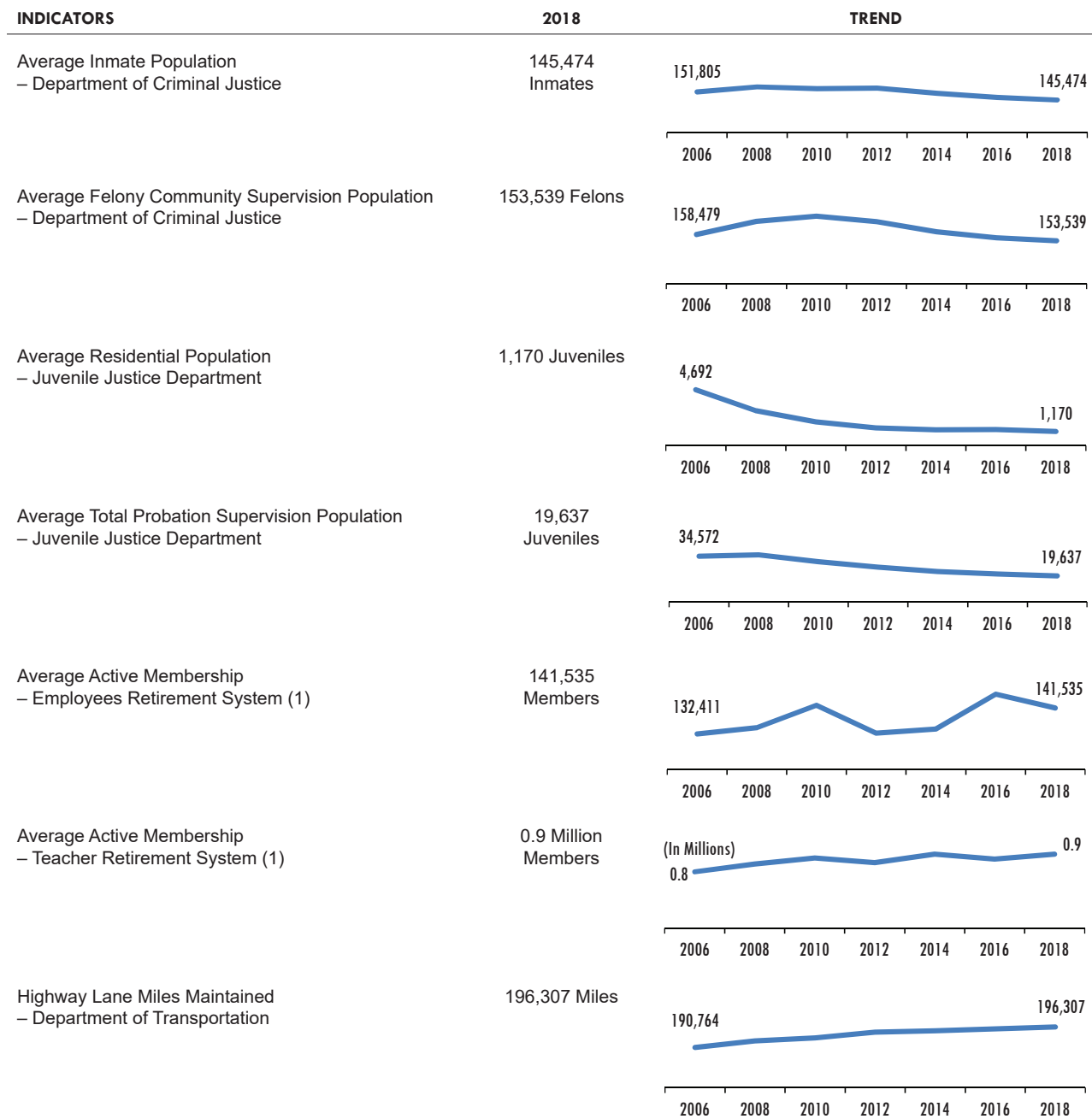


FIGURE 16 (CONTINUED)
POPULATION-BASED INDICATORS
FISCAL YEARS 2006 TO 2018



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

LIMITS ON APPROPRIATIONS

Texas has four Constitutional limits on spending: the balanced budget limit, which is commonly referred to as the pay-as-you-go limit; the limit on the rate of growth of appropriations from certain state taxes, commonly referred to as the spending limit; the limit on welfare spending; and the limit on tax-supported debt. The Senate Committee Substitute for House Bill 1 and the Senate Supplemental Appropriations Bill are within all of these limits.

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 nontax revenues or appropriations funded with tax revenues if the Constitution requires the tax revenue to be spent on a specific purpose.

Funding from General Revenue Funds in the Senate Committee Substitute for House Bill 1 and the Senate Supplemental Appropriations Bill total \$118.6 billion. This amount is \$1.3 billion below the pay-as-you-go limit, based on the *2019 Biennial Revenue Estimate* (BRE) from the Comptroller of Public Accounts (CPA) (**Figure 17**) and certification cost adjustments by the CPA. General Revenue Funds are \$7.9 billion below the General Revenue Funds capacity under the spending limit. Because General Revenue Funds spending authority pursuant to the pay-as-you-go limit is the lower of the two limits, the pay-as-you-go limit is the controlling limit.

FIGURE 17
REMAINING GENERAL REVENUE FUNDS SPENDING AUTHORITY, 2020–21 BIENNIUM

IN BILLIONS	AMOUNT
Pay-as-you-go Limit	\$1.3
Spending Limit	\$7.9

NOTE: Analysis includes appropriations in the Senate Supplemental Appropriations Bill and cost adjustments identified by the Comptroller of Public Accounts as part of the pay-as-you-go limit certification process.

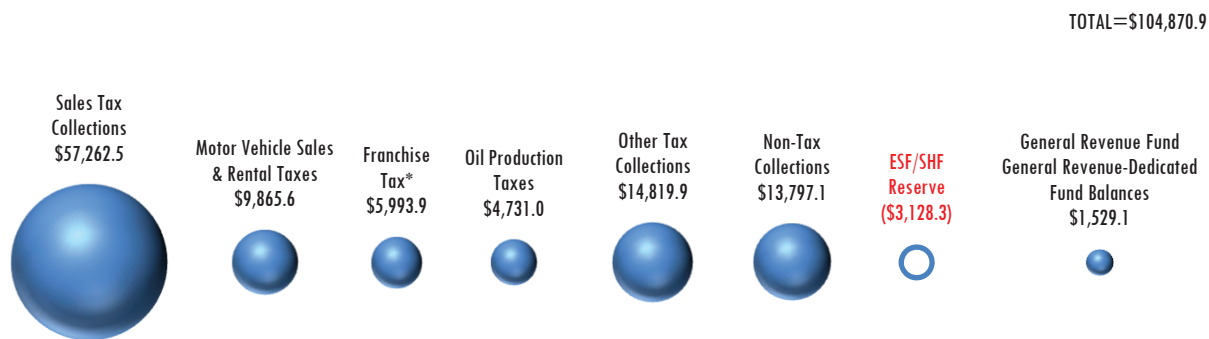
SOURCE: Legislative Budget Board.

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

The Texas Constitution, Article III, Section 49a, sets 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.

CPA identifies the pay-as-you-go limit for General Revenue Funds appropriations as \$119.1 billion in the BRE. This total includes estimated 2020–21 biennial General Revenue Funds revenue collections of \$121.5 billion, less the amount of \$6.6 billion in General Revenue Funds deposits reserved for transfer to the Economic Stabilization Fund, the State Highway Fund, and the Texas Tomorrow Fund. This total also includes the beginning General Revenue Fund balance and General Revenue–Dedicated Funds account balances available for certification totaling \$4.2 billion (**Figure 18**). Legislative actions increasing or decreasing revenue collections will change the total amount of revenue available.

FIGURE 18
COMPONENTS OF THE PAY-AS-YOU-GO LIMIT, 2020–21 BIENNIUM



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

The \$119.1 billion in available revenue applies to 2020–21 biennial General Revenue Funds appropriations and to fiscal year 2019 supplemental General Revenue Funds appropriations. Consequently, supplemental General Revenue Funds appropriations for fiscal year 2019 decrease General Revenue Funds spending capacity proportionately for the 2020–21 biennium.

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

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

The 2020–21 biennial spending limit equals total 2018–19 biennial appropriations funded with tax revenues not dedicated by the constitution of \$96.5 billion, grown by the adopted growth rate of 9.89 percent. The 2020–21 biennial spending limit is estimated to be \$106.0 billion after adjusting for revenue estimates in the CPA’s *2019 Biennial Revenue Estimate* and updating the 2018–19 biennial base to include estimated supplemental appropriations. The 2020–21 biennial appropriations subject to the spending limit total \$99.7 billion, \$6.3 billion less than the spending limit (**Figure 19**).

FIGURE 19
SPENDING LIMIT COMPARED TO THE SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 AND THE SENATE SUPPLEMENTAL APPROPRIATIONS BILL, 2020–21 BIENNIUM

(IN MILLIONS)	AMOUNT
Spending Limit	\$106,044.4
Appropriations Subject to the Spending Limit	(\$99,738.3)
Total Below the Spending Limit	\$6,306.1

SOURCE: Legislative Budget Board.

Because revenue deposits to the General Revenue Fund also include revenue not subject to the spending limit, the maximum 2020–21 biennial General Revenue Funds appropriations associated with the \$106.0 billion limit is \$124.8 billion, leaving \$7.9 billion in remaining General Revenue Funds spending capacity below the spending limit (**Figure 20**).

FIGURE 20
GENERAL REVENUE FUNDS PURSUANT TO THE SPENDING LIMIT COMPARED TO THE SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 AND THE SENATE SUPPLEMENTAL APPROPRIATIONS BILL, 2020–21 BIENNIUM

(IN MILLIONS)	AMOUNT
Maximum General Revenue Funds appropriations pursuant to the Spending Limit	\$124,771.0
Recommended General Revenue Funds Appropriations	(\$116,829.5)
Total Below the Maximum General Revenue Fund Appropriations	\$7,941.5

SOURCE: Legislative Budget Board.

ARTICLE III, SECTION 49 (J), DEBT LIMIT

The Texas Constitution, Article III, Section 49(j), provides that the Legislature may not authorize additional state debt if, in any fiscal year, the resulting maximum annual debt service payable from the General Revenue Fund, excluding revenues constitutionally dedicated for purposes other than payment of state debt, exceeds 5.0 percent of the average annual unrestricted General Revenue 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 2018, the BRB reported that the issued debt ratio is 1.33 percent. The second debt ratio is the debt service on outstanding debt plus estimated debt service for authorized but unissued bonds. For this ratio, the BRB has reported that the state is at 2.20 percent of unrestricted General Revenue Funds at the end of fiscal year 2018. The latter calculation represents a 6.4 percent decrease from the 2.35 percent calculated for outstanding and authorized but unissued debt for fiscal year 2017. The BRB expects the CDL ratio to continue to decrease with the issuance of authorized debt. New debt authorizations for the Texas Facilities Commission and for the Master Lease Purchase program will affect the CDL in subsequent years by approximately 0.08 percent. The CDL ratio could be affected by changes to any of the following factors: the three-year average of unrestricted General Revenue Funds, the amount of debt outstanding and unissued debt authorizations, and actual and assumed interest rates.

ARTICLE III, SECTION 51–A, WELFARE SPENDING LIMIT

The Texas Constitution, Article III, Section 51-a, requires that the amount paid 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 2020–21 biennial budget defined in the Texas Human Resources Code, Section 31.053, is \$247.7 billion. Therefore, the welfare spending limit is \$2.5 billion. The biennial amount included in the Legislative Budget Board's recommendations subject to the limit on state dollars paid out in Temporary Assistance for Needy Families (cash assistance) grants is \$100.6 million, \$2.4 billion less than the 1.0 percent limit.

TEXAS ECONOMIC OUTLOOK

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

INDUSTRIAL OUTLOOK

Texas Real Gross State Product (GSP) experienced strong growth after the end of the recent recession, averaging 4.1 percent from fiscal years 2011 to 2015. Texas Real GSP growth slowed to 1.1 percent for fiscal year 2016 and 0.7 percent for fiscal year 2017, coinciding with the slowdown in the oil and gas extraction industry. However the industry rebounded strongly during fiscal year 2018, helping the overall state GSP expand by 3.0 percent. Growth is expected to remain strong for fiscal year 2019 at 4.0 percent, before moderating to 2.8 percent for fiscal year 2020 and 2.3 percent for fiscal year 2021.

EMPLOYMENT

The Texas unemployment rate peaked at just more than 8.0 percent during the 2010–11 biennium. Since the recession ended, the rate has decreased steadily, reaching less than 5.0 percent at the end of calendar year 2014 for the first time since the middle of 2008, and reaching less than 4.0 percent by the end of fiscal year 2018. This decrease can be attributed to a mix of moderately decreasing labor participation rates and strong job growth in the state. The Texas unemployment rate is forecast to remain at less than 4.0 percent during the 2020–21 biennium. Nonfarm payroll jobs in Texas are expected to increase by 2.5 percent for fiscal year 2019, with 633,600 jobs expected to be added during the current biennium. Job growth is expected to grow at a slower pace during the 2020–21 biennium, increasing by 1.9 percent for fiscal year 2020 and 1.3 percent for fiscal year 2021.

PERSONAL INCOME

Fiscal year 2018 personal income increased by 4.9 percent in Texas to reach \$1.4 trillion. Personal income is expected to increase by 5.0 percent for fiscal year 2020 and by 4.9 percent for fiscal year 2021.

Figure 21 shows key economic indicators from fiscal years 2009 to 2021. All forecasted data for fiscal years 2019 to 2021 is from the CPA's 2019 *Biennial Revenue Estimate*.

FIGURE 21
ECONOMIC-BASED INDICATORS, FISCAL YEARS 2009 TO 2021 (1)

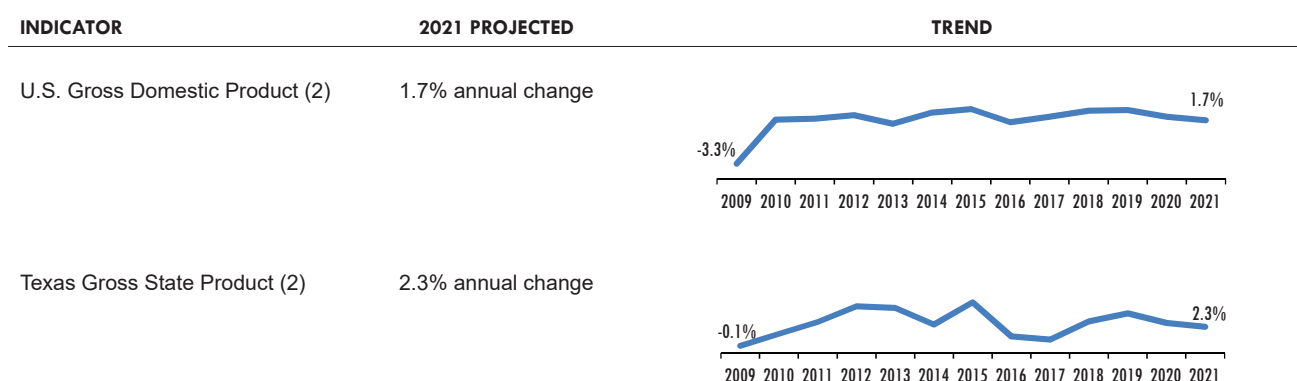
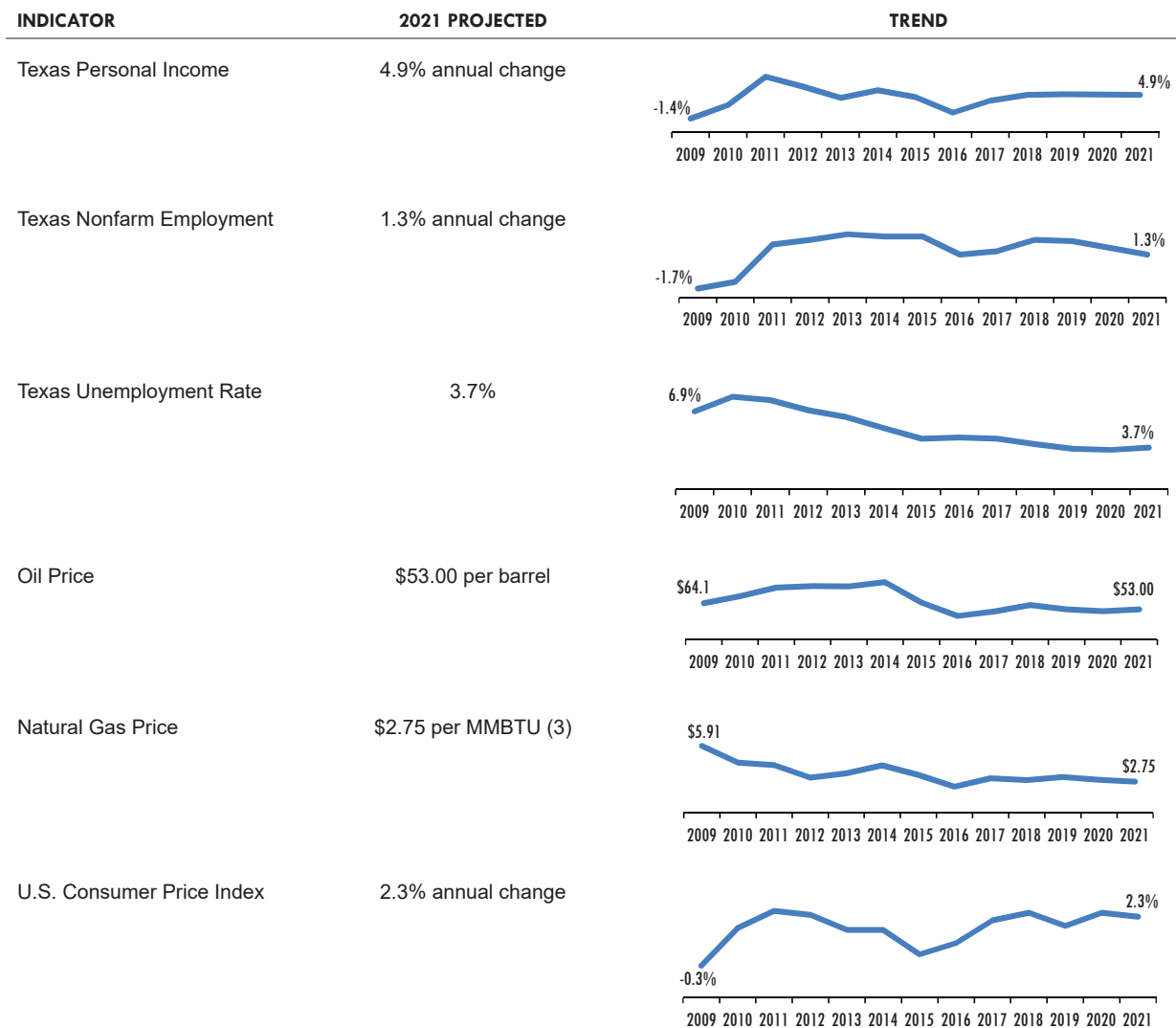


FIGURE 21 (CONTINUED)
ECONOMIC-BASED INDICATORS, FISCAL YEARS 2009 TO 2021 (1)



NOTES:

- (1) Trends for fiscal years 2019 to 2021 are based on projections from the Comptroller of Public Accounts' 2019 *Biennial Revenue Estimate*.
- (2) Amounts for the U.S. Gross Domestic Product and the Texas Gross State Product are based on 2012 dollars.
- (3) MMBTU=million British Thermal Units.

SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

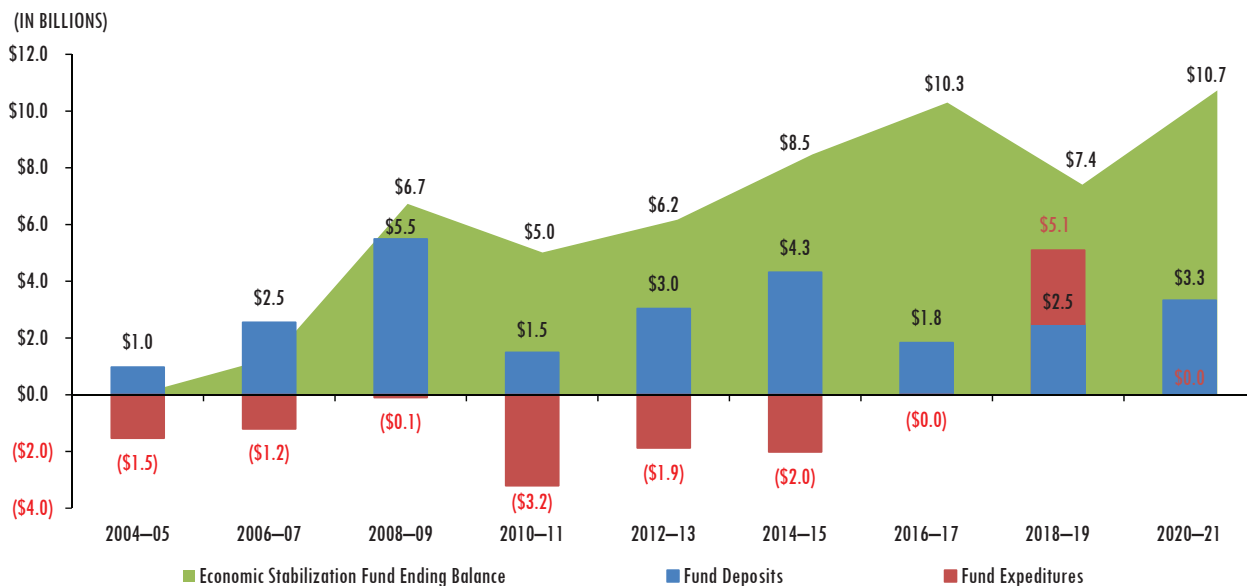
ECONOMIC STABILIZATION FUND

The Texas Constitution, Article III, Section 49-g, established the Economic Stabilization Fund (ESF). Appropriations can be made from the fund 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 of Public Accounts (CPA) to invest a portion of the cash balance of the ESF in assets outside of the Treasury Pool, with the goal of obtaining a higher rate of return. Beginning September 1, 2015, CPA established the Texas Economic Stabilization Investment Fund (TESTIF) to invest a portion of the ESF pursuant to this legislation.

The 2020–21 biennial ending cash balance of the ESF plus the total asset value of the TESTIF is forecast by the Comptroller of Public Accounts to be \$15.4 billion. The 2020–21 recommendations do not contain an appropriation from the fund. In addition, the Senate version of the supplemental appropriations bill includes appropriations of \$4,360.9 million from the fund, which, along with a decrease of interest and investment income, will decrease the 2020–21 biennial projected ending balance to \$10.7 billion.

Figure 22 shows the history of ESF deposits, expenditures, and balances from the 2004–05 to 2020–21 biennia.

FIGURE 22
ECONOMIC STABILIZATION FUND BIENNIAL DEPOSITS, EXPENDITURES, INVESTMENTS AND FUND BALANCE
2004–05 TO 2020–21 BIENNIA



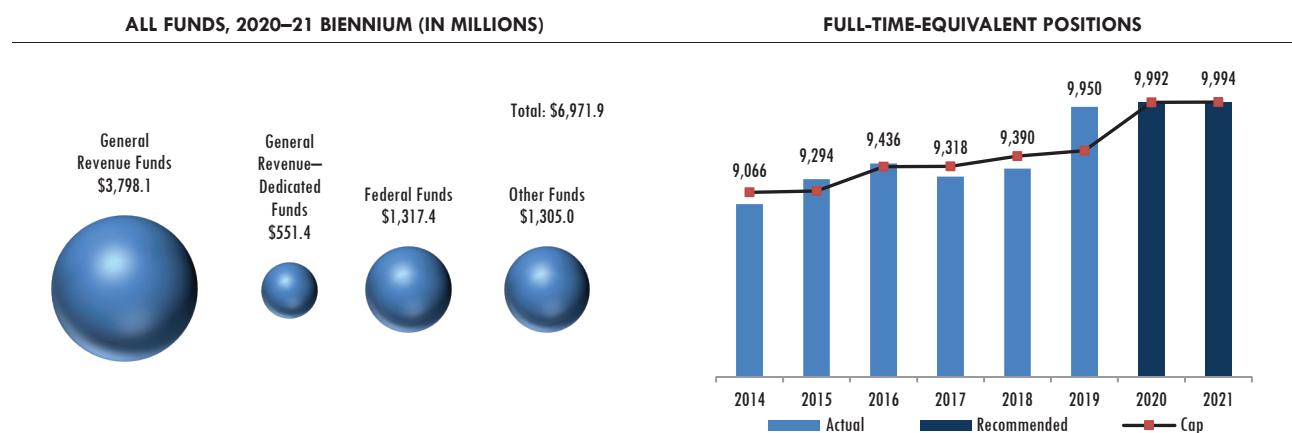
NOTE: Fiscal years 2019 to 2021 are projections based on the Comptroller of Public Accounts' 2019 *Biennial Revenue Estimate* and adjusted for Economic Stabilization Fund appropriations made in the Senate Supplemental Appropriations Bill.

SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

ARTICLE I – GENERAL GOVERNMENT

FIGURE 23
ARTICLE I – GENERAL GOVERNMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	2020–21	CHANGE	CHANGE
General Revenue Funds	\$3,406.9	\$3,798.1	\$391.2	11.5%
General Revenue–Dedicated Funds	\$858.5	\$551.4	(\$307.1)	(35.8%)
Federal Funds	\$1,264.2	\$1,317.4	\$53.2	4.2%
Other Funds	\$1,973.7	\$1,305.0	(\$668.7)	(33.9%)
Total, All Methods of Finance	\$7,503.3	\$6,971.9	(\$531.5)	(7.1%)



NOTES:

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

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

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE I

All Funds for the General Government agencies total \$7.0 billion for the 2020–21 biennium, a decrease of \$0.5 billion, or 7.1 percent. General Revenue Funds total \$3.8 billion, an increase of \$0.4 billion, or 11.5 percent.

HIGHLIGHTS

- Funding for the Trusteed Programs within the Office of the Governor totals \$1.3 billion in All Funds for the 2020–21 biennium. This includes \$90.0 million in General Revenue and unexpended balances of \$60.0 million in the Texas Enterprise Fund for incentive grants, \$30.0 million in General Revenue and unexpended balances of \$10.0 million in the Governor's University Research Initiative, \$43.0 million in General Revenue and unexpended balances of \$7.0 million in the Moving Image Industry Incentive Program, and \$20.0 million in General Revenue for Defense Economic Adjustment Assistance Grants. Additionally, the Senate version of the supplemental appropriations bill appropriates \$100.0 million in disaster grants for fiscal year 2019.
- Funding for the Texas Facilities Commission in the 2020–21 biennium includes \$475.2 million in Revenue Bond Authority for the Capitol Complex Phase 2 and the North Austin Complex Phase 2 new construction projects. In addition, \$104.3 million in General Revenue is included to renew state facilities, address critical deferred maintenance, and make critical health and safety repairs.

- Funding for the Commission on the Arts totals \$17.7 million in All Funds for the 2020–21 biennium, which is an increase of \$4.7 million from the 2018–19 biennium, primarily for Cultural District Arts grants.
- Funding for the Secretary of State totals \$84.1 million in All Funds for the 2020–21 biennium, which is an increase of \$16.0 million from the 2018–19 biennium, due to the receipt of a federal grant as well as increased funding for primary election reimbursements and information technology projects.
- Funding for the Cancer Prevention and Research Institute of Texas includes a decrease of \$159.1 million in All Funds from the 2018–19 biennium. This decrease is due to agency appropriations being limited to the remaining currently unissued and available General Obligation bond authority. Funding represents the remaining balance of the \$3.0 billion in General Obligation bonds authorized to be issued by Texas Public Finance Authority.
- Funding for Fiscal Programs within the Comptroller of Public Accounts totals \$1.2 billion in All Funds for the 2020–21 biennium, an increase of \$30.9 million. The increase is primarily related to agency estimates for certain statutorily required disbursements and changes to funding levels to various programs, including a \$47.7 million increase for distribution of mixed beverage gross receipts and sales tax revenues to cities and counties.
- Funding for the Department of Information Resources totals \$853.5 million in All Funds (primarily Interagency Contracts and Appropriated Receipts) for the 2020–21 biennium, an increase of \$127.5 million. The increase is primarily due to an estimated increase in consumption of data center services by customer agencies and for providing a full biennium of funding out of Texas.gov receipts for implementation of the Texas.gov state electronic internet portal. \$7.2 million in General Revenue Funds is also included to provide multi-factor authentication to the state’s high risk information systems.

Figure 24 shows the All Funds appropriation for each agency in Article I, and **Figure 25** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for some of the agencies in Article I.

FIGURE 24
ARTICLE I – GENERAL GOVERNMENT, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
FUNCTION	2018–19	2020–21	CHANGE	CHANGE
Commission on the Arts	\$13.0	\$17.7	\$4.7	36.0%
Office of the Attorney General	\$1,248.1	\$1,263.2	\$15.1	1.2%
Bond Review Board	\$1.6	\$1.8	\$0.2	10.8%
Cancer Prevention and Research Institute of Texas	\$595.2	\$436.1	(\$159.1)	(26.7%)
Comptroller of Public Accounts	\$640.6	\$616.6	(\$24.0)	(3.8%)
Fiscal Programs – Comptroller of Public Accounts	\$1,210.1	\$1,240.9	\$30.9	2.6%
Commission on State Emergency Communications	\$144.8	153.5	\$8.6	6.0%
Texas Emergency Services Retirement System	\$4.1	\$4.1	\$0.0	0.1%
Employees Retirement System	\$27.2	\$27.5	\$0.3	1.1%
Texas Ethics Commission	\$5.9	\$6.4	\$0.6	9.5%
Facilities Commission	\$1,027.6	\$707.9	(\$319.7)	(31.1%)
Public Finance Authority	\$3.0	\$3.1	\$0.1	3.5%
Office of the Governor	\$31.5	\$24.9	(\$6.6)	(20.9%)
Trusted Programs within the Office of the Governor	\$1,479.6	\$1,286.4	(\$193.2)	(13.1%)
Historical Commission	\$71.4	\$44.5	(\$26.8)	(37.6%)
Department of Information Resources	\$726.1	\$853.5	\$127.5	17.6%
Library and Archives Commission	\$69.6	\$68.2	(\$1.4)	(2.0%)
Pension Review Board	\$2.0	\$2.1	\$0.1	6.4%
Preservation Board	\$37.1	\$16.2	(\$20.8)	(56.2%)
State Office of Risk Management	\$107.0	\$108.8	\$1.8	1.7%
Secretary of State	\$68.1	\$84.1	\$16.0	23.5%
Veterans Commission	\$91.7	\$92.5	\$0.8	0.9%
Subtotal, General Government	\$7,605.2	\$7,060.2	(\$545.0)	(7.2%)
Employee Benefits and Debt Service	\$765.0	\$846.2	\$81.1	10.6%
Less Interagency Contracts	\$866.9	\$934.5	\$67.6	7.8%
Total, All Functions	\$7,503.3	\$6,971.9	(\$531.5)	(7.1%)

NOTES:

(1) Excludes Interagency Contracts.

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

SOURCE: Legislative Budget Board.

FIGURE 25
ARTICLE I – GENERAL GOVERNMENT, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
FUNCTION	2018–19	2020–21	CHANGE	CHANGE
Commission on the Arts	\$9.9	\$15.1	\$5.2	52.1%
Office of the Attorney General	\$474.6	\$471.3	(\$3.4)	(0.7%)
Bond Review Board	\$1.6	\$1.8	\$0.2	10.8%
Cancer Prevention and Research Institute of Texas	\$0.0	\$0.0	\$0.0	N/A
Comptroller of Public Accounts	\$603.1	\$584.1	(\$19.0)	(3.2%)
Fiscal Programs - Comptroller of Public Accounts	\$1,124.6	\$1,159.9	\$35.3	3.1%
Commission on State Emergency Communications	\$0.0	\$0.0	\$0.0	N/A
Texas Emergency Services Retirement System	\$1.4	\$1.4	\$0.0	0.4%
Employees Retirement System	\$27.2	\$27.5	\$0.3	1.1%
Texas Ethics Commission	\$5.9	\$6.4	\$0.6	9.8%
Facilities Commission	\$76.2	\$191.0	\$114.8	150.8%
Public Finance Authority	\$1.7	\$1.8	\$0.1	6.5%
Office of the Governor	\$31.4	\$24.9	(\$6.6)	(20.9%)
Trusted Programs within the Office of the Governor	\$300.0	\$394.8	\$94.8	31.6%
Historical Commission	\$37.6	\$40.3	\$2.7	7.3%
Department of Information Resources	\$3.2	\$10.4	\$7.2	225.4%
Library and Archives Commission	\$30.5	\$30.5	(\$0.0)	(0.1%)
Pension Review Board	\$2.0	\$2.1	\$0.1	6.4%
Preservation Board	\$36.9	\$16.2	(\$20.7)	(56.1%)
State Office of Risk Management	\$0.0	\$0.0	\$0.0	N/A
Secretary of State	\$43.9	\$51.5	\$7.7	17.5%
Veterans Commission	\$26.7	\$26.4	(\$0.3)	(1.0%)
Subtotal, General Government	\$2,838.4	\$3,057.4	\$219.0	7.7%
Employee Benefits and Debt Service	\$568.4	\$740.7	\$172.2	30.3%
Total, All Functions	\$3,406.9	\$3,798.1	\$391.2	11.5%

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

SOURCE: Legislative Budget Board.

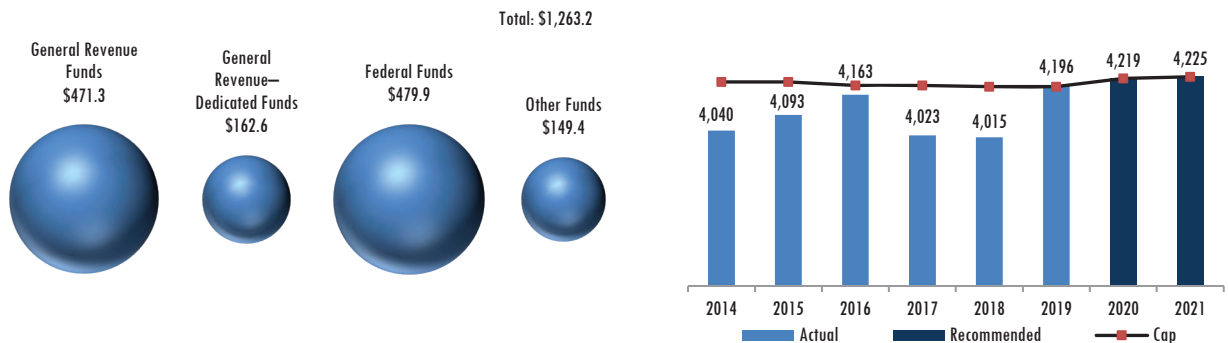
OFFICE OF THE ATTORNEY GENERAL

FIGURE 26
OFFICE OF THE ATTORNEY GENERAL, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	2020–21	CHANGE	CHANGE
General Revenue Funds	\$474.6	\$471.3	(\$3.4)	(0.7%)
General Revenue–Dedicated Funds	\$144.1	\$162.6	\$18.5	12.9%
Federal Funds	\$481.5	\$479.9	(\$1.5)	(0.3%)
Other Funds	\$147.9	\$149.4	\$1.5	1.0%
Total, All Methods of Finance	\$1,248.1	\$1,263.2	\$15.1	1.2%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



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

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

Appropriations for the Office of the Attorney General (OAG) for the 2020–21 biennium total \$1.3 billion in All Funds, representing an All Funds increase of \$15.1 million from the 2018–19 biennium. This increase is attributed primarily to appropriations for legal services, crime victim compensation, and Centralized Accounting and Payroll/Personnel System (CAPPS) deployment.

HIGHLIGHTS

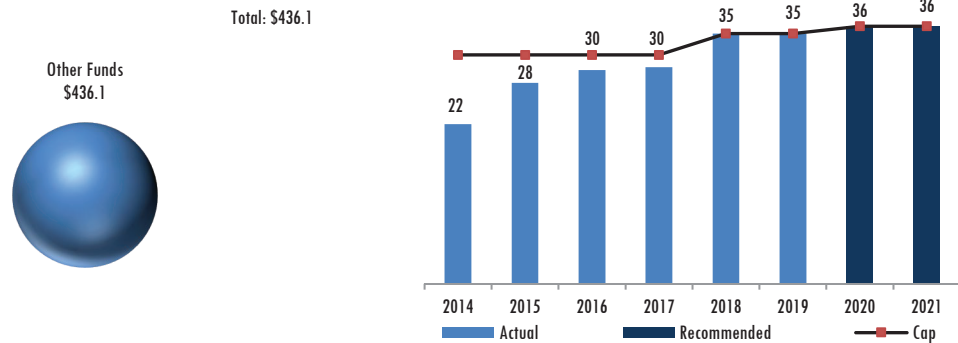
- Funding includes \$230.4 million for Legal Services. This amount represents an increase of \$14.9 million in General Revenue Funds from the previous biennium, which includes appropriations to provide pay raises for Assistant Attorneys General (\$7.0 million), to expand the Election Fraud Unit by 10.0 full-time-equivalent (FTE) positions (\$2.0 million), and to expand the Human Trafficking Section by 19.0 FTE positions (\$3.5 million).
- Funding includes \$75.1 million in All Funds for Victims Assistance Grants. This amount includes an increase of \$8.5 million in General Revenue Funds from the 2018–19 biennium. Additional General Revenue Funds for the 2020–21 biennium are directed to the Sexual Assault Prevention and Crisis Services Program to award grants and contracts for rape crisis centers working to prevent sexual violence, and for sexual assault nurse examiner programs.
- Funding includes \$163.2 million in All Funds for Crime Victims Compensation, which provides victims of violent crime with financial assistance for certain expenses. This amount represents an increase of \$17.9 million in All Funds from the previous biennium, mostly due to increased appropriations from General Revenue–Dedicated Account No. 0469, Compensation for Victims of Crime.

- Funding includes \$725.2 million in All Funds for Child Support Enforcement. This amount includes a decrease of \$27.7 million in All Funds, the majority of which is due to the decrease of onetime capital funding for the Texas Child Support Enforcement System 2.0 (T2) project.
- Funding includes \$17.4 million in All Funds for the T2 capital project, which seeks to enhance Texas' main database system for the Child Support Division. T2 funding includes \$10.0 million for managed services, and \$7.2 million for ongoing infrastructure services. The cost of the T2 project is shared with the federal Office of Child Support Enforcement for the match requirement of 34.0 percent of state dollars to 66.0 percent of federal grants. T2 was scheduled for release as two phases from June 2016 to July 2017 at an estimated cost of \$223.6 million. T2 had an expected release date of March 4, 2019, at an estimated total cost of \$419.6 million, with a state share of \$142.6 million and federal grants of \$277.0 million. However, the project is delayed.
- Funding includes \$5.8 million in All Funds for implementation of the financials portion of statewide CAPPS during the 2020–21 biennium.

CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS

FIGURE 27
CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$595.2	\$436.1	(\$159.1)	(26.7%)
Total, All Methods of Finance	\$595.2	\$436.1	(\$159.1)	(26.7%)
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



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

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

Funding for the Cancer Prevention and Research Institute of Texas (CPRIT) totals \$436.1 million in All Funds for the 2020–21 biennium, a decrease of \$159.1 million from the 2018–19 biennium. This decrease is due to agency appropriations being limited to the remaining currently unissued and available General Obligation bond authority.

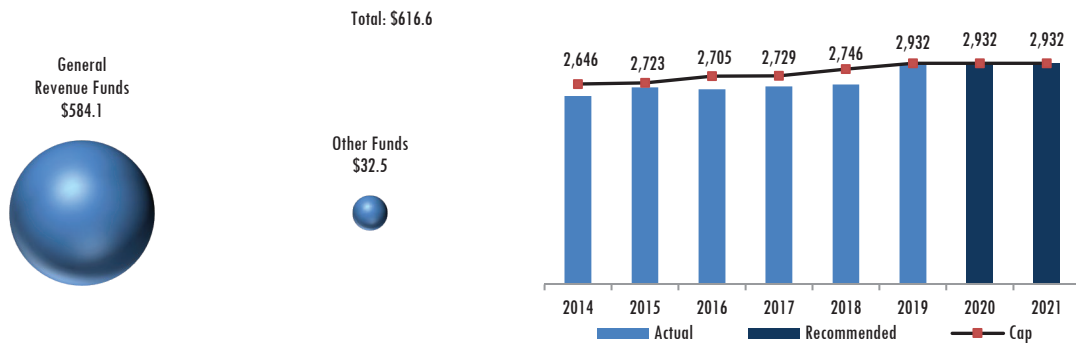
HIGHLIGHTS

- Funding includes appropriating \$436.0 million in remaining available bond proceeds to the agency. This appropriation represents the remaining balance of the \$3.0 billion in General Obligation bonds authorized to be issued by the Texas Public Finance Authority for CPRIT.

COMPTROLLER OF PUBLIC ACCOUNTS

FIGURE 28
COMPTROLLER OF PUBLIC ACCOUNTS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	2020–21	CHANGE	CHANGE
General Revenue Funds	\$603.1	\$584.1	(\$19.0)	(3.2%)
General Revenue–Dedicated Funds	\$0.0	\$0.0	(\$0.0)	(100.0%)
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$37.5	\$32.5	(\$5.0)	(13.4%)
Total, All Methods of Finance	\$640.6	\$616.6	(\$24.0)	(3.8%)
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



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

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

Funding for the Comptroller of Public Accounts totals \$616.6 million in All Funds for the 2020–21 biennium, a decrease of \$24.0 million. The decrease in funding includes reductions of \$19.0 million in General Revenue Funds for information technology programs and services and reductions of \$5.0 million in Interagency Contracts and Appropriated Receipts related primarily to the Centralized Accounting and Payroll/Personnel System (CAPPS) and forfeiture and seizure receipts from criminal investigations.

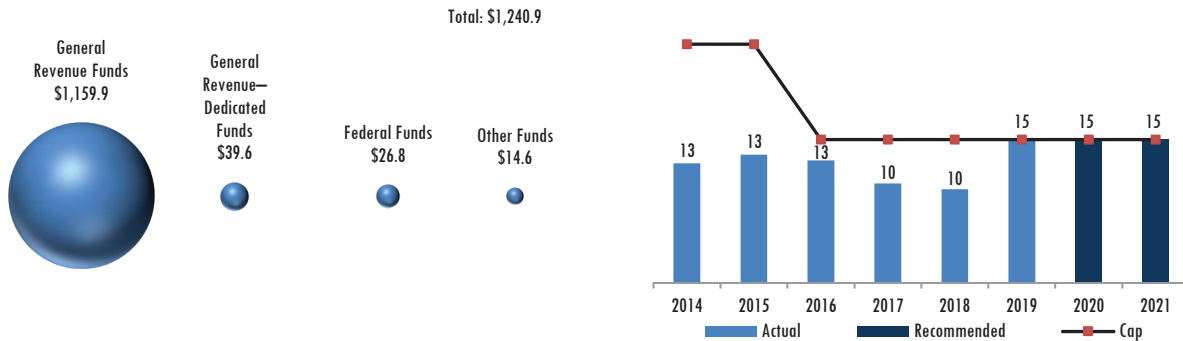
HIGHLIGHTS

- Funding represents a decrease of \$19.0 million from unexpended balances of General Revenue Funds carried forward to the 2018–19 biennium. An estimated \$24.7 million in unexpended balances of General Revenue Funds was carried forward from the 2016–17 biennium to the 2018–19 biennium for various purposes, including technology projects and implementation of recently enacted legislation. Of this amount \$5.7 million is continued and included in 2020–21 funding levels to maintain staffing levels and revenue collections.
- Funding includes \$96.8 million in All Funds for maintenance and migration of agencies onto CAPPS. This amount includes \$68.2 million in General Revenue Funds, \$24.0 million in SmartBuy procurement system vendor fees (Appropriated Receipts) and \$4.7 million in PeopleSoft license payments made by six agencies (Interagency Contracts). Funding reflects a reduction of \$3.8 million in Other Funds primarily from balances of SmartBuy fees (\$3.6 million) and Interagency Contract funds (\$0.3 million) carried forward and budgeted for the 2018–19 biennium, offset by an increase in Interagency Contract payments for PeopleSoft license maintenance (\$0.1 million).

FISCAL PROGRAMS – COMPTROLLER OF PUBLIC ACCOUNTS

FIGURE 29
FISCAL PROGRAMS – COMPTROLLER OF PUBLIC ACCOUNTS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	2020–21	CHANGE	CHANGE
General Revenue Funds	\$1,124.6	\$1,159.9	\$35.3	3.1%
General Revenue–Dedicated Funds	\$27.5	\$39.6	12.1	44.1%
Federal Funds	\$27.4	\$26.8	(0.5)	(2.0%)
Other Funds	\$30.6	\$14.6	(16.0)	(52.2%)
Total, All Methods of Finance	\$1,210.1	\$1,240.9	\$30.9	2.6%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



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

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

Funding for Fiscal Programs within the Comptroller of Public Accounts totals \$1.2 billion in All Funds for the 2020–21 biennium, an increase of \$30.9 million. The increase is related primarily to agency estimates for certain statutorily required disbursements and changes to funding levels to various programs, noted in the following section.

HIGHLIGHTS

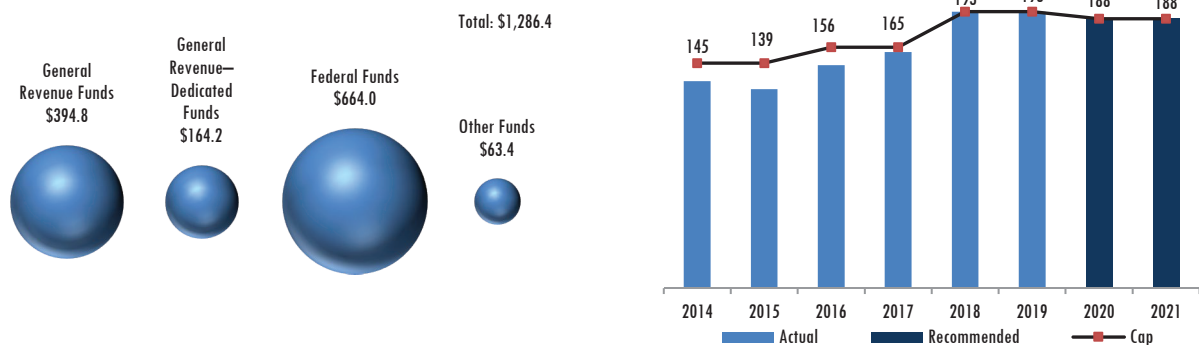
- Funding includes \$492.9 million in General Revenue Funds, an increase of \$47.4 million from the 2018–19 biennium, for mixed beverage taxes reimbursements to counties and incorporated municipalities to maintain statutorily set minimum disbursement levels of 10.7143 percent of the mixed beverage gross receipts and sales taxes based on estimated growth in mixed beverage sales.
- Funding provides \$550.0 million in General Revenue Funds for unclaimed property payments which represents a decrease of \$25.0 million for estimated decline in such claims.
- Funding totals \$26.0 million in General Revenue Funds, including decreases of \$2.0 million in General Revenue Funds and \$16.1 million in all other funds and accounts, for estimated reduction in payments for miscellaneous and wrongful imprisonment claims based on historical expenditures.
- Funding provides \$20.0 million in General Revenue Funds, an increase of \$13.5 million from the 2018–19 biennium, for payments to qualified cities and counties to offset lost property tax revenue from the granting of 100.0 percent disabled veteran residence homestead exemption pursuant to the Texas Tax Code, Section 11.131. The funding increase is based on estimated growth in the value of homes owned by individuals qualifying for the exemption.

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

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR

FIGURE 30
TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	2020–21	CHANGE	CHANGE
General Revenue Funds	\$300.0	\$394.8	\$94.8	31.6%
General Revenue–Dedicated Funds	\$383.7	\$164.2	(\$219.5)	(57.2%)
Federal Funds	\$618.1	\$664.0	\$45.9	7.4%
Other Funds	\$177.8	\$63.4	(\$114.4)	(64.3%)
Total, All Methods of Finance	\$1,479.6	\$1,286.4	(\$193.2)	(13.1%)
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



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

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

Funding for the Trusted Programs within the Office of the Governor totals \$1.3 billion in All Funds for the 2020–21 biennium, a decrease of \$193.2 million from the 2018–19 biennium. This decrease is due primarily to the expenditure in the 2018–19 biennium of unexpended balances carried forward from the 2016–17 biennium.

HIGHLIGHTS

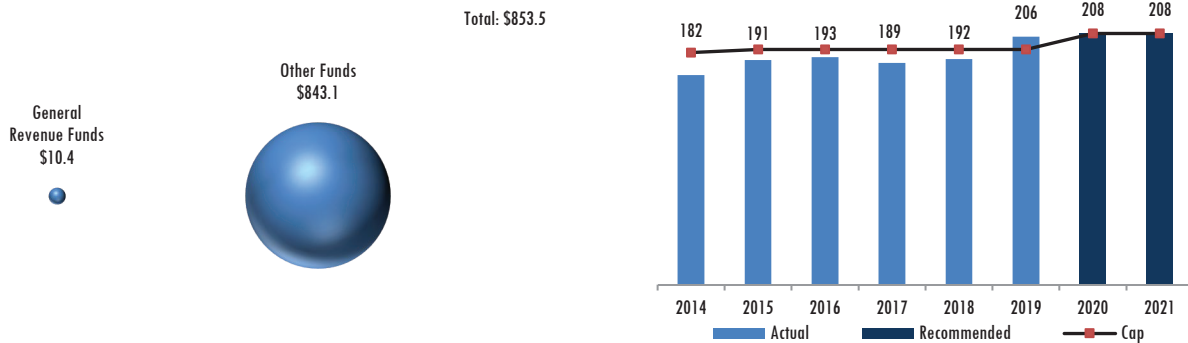
- Disaster grants are appropriated all unexpended balances from the 2018–19 biennium, including balances from \$100.0 million in new disaster grant funding provided in the Senate version of the supplemental appropriations bill for fiscal year 2019. Funding for economic development and jobs creation is reflected in Strategy C.1.1, Create Jobs and Promote Texas, which includes programs for economic development, tourism, film and music marketing, the Texas Enterprise Fund, military community support, and the Governor's University Research Initiative. Funding in the strategy for various economic development programs totals \$474.0 million in All Funds for the 2020–21 biennium, which is an increase of \$44.9 million over 2018–19 biennial appropriated amounts. Funding highlights in the 2020–21 biennium include:
 - \$90.0 million in General Revenue Funds and \$60.0 million in estimated unexpended balances remaining at the end of fiscal year 2019 in the Texas Enterprise Fund for incentive grants. The funding is an increase of \$4.0 million in General Revenue Funds and General Revenue–Dedicated Funds from the 2018–19 biennial level;
 - \$30.0 million in General Revenue and \$10.0 million in estimated unexpended balances remaining at the end of fiscal year 2019 in the Governor's University Research Initiative grants. The funding is a decrease of \$15.5 million in General Revenue Funds and General Revenue–Dedicated Funds from the 2018–19 biennial level;

- \$43.0 million in General Revenue and \$7.0 million in estimated unexpended balances remaining at the end of fiscal year 2019 in the Moving Image Industry Incentive Program. The funding reflects an increase of \$28.0 million in General Revenue–Related Funds from the 2018–19 biennial level;
- \$110.2 million in General Revenue–Dedicated Funds from Hotel Occupancy Tax deposits for tourism promotion for the 2020–21 biennium. This appropriation is the same amount appropriated in the 2018–19 biennium (\$34.2 million), plus projected unobligated balances from the 2018–19 biennium (\$76.0 million); and
- \$20.0 million in General Revenue for Defense Economic Adjustment Assistance Grants and \$50.0 million in General Obligation Bond Proceeds for the Military Value Revolving Loan Program for loans to defense communities for economic development projects at the Texas Military Preparedness Commission.
- Significant funding decreases are related to the removal of one time funding items in the 2018–19 biennium, including:
 - a decrease of \$206.1 million in General Revenue Funds and General Revenue–Dedicated Funds related to unexpended balances carried forward from fiscal year 2017 into the 2018–19 biennium and removed from base appropriation levels in multiple strategies; and
 - a decrease of \$110.0 million in General Revenue Funds expended primarily to the Texas Enterprise Fund and the Governor’s University Research Initiative.
- Funding includes an increase of \$45.8 million in Federal Funds related primarily to an increase in the federal allocation of Crime Victims Assistance and Homeland Security grants.

DEPARTMENT OF INFORMATION RESOURCES

FIGURE 31
DEPARTMENT OF INFORMATION RESOURCES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	2020–21	CHANGE	CHANGE
General Revenue Funds	\$3.2	\$10.4	\$7.2	225.4%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$722.9	\$843.1	\$120.3	16.6%
Total, All Methods of Finance	\$726.1	\$853.5	\$127.5	17.6%
ALL FUNDS, 2020–21 BIENNium (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



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

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

Funding for the Department of Information Resources totals \$853.5 million in All Funds (primarily Interagency Contracts and Appropriated Receipts) for the 2020–21 biennium, an increase of \$127.5 million. The increase is primarily due to an estimated increase in consumption of data center services by customer agencies and for providing a full biennium of funding out of Texas.gov receipts for implementation of the Texas.gov state electronic internet portal.

HIGHLIGHTS

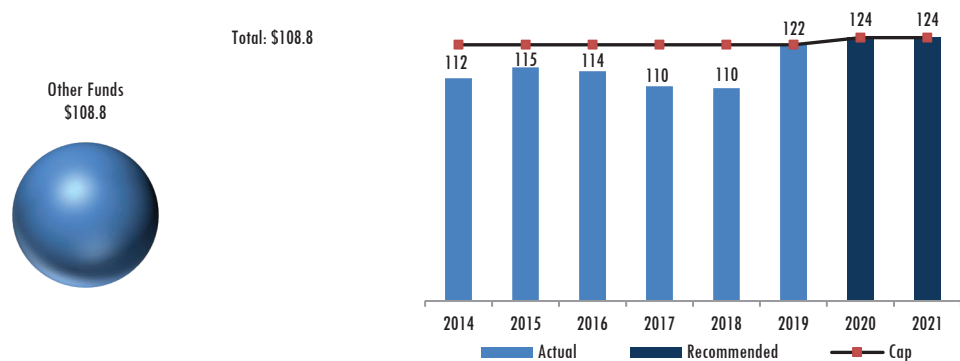
- Funding levels include \$776.1 million for payments to service providers of telecommunications and data center services for cost of services for which the agency directly bills customers and for payments to service providers for operation of the Texas.gov portal. This amount reflects an increase of \$116.2 million from 2018–19 funding levels for the following services:
 - Capitol Complex Telephone System – Funding provides \$11.0 million which reflects an increase of \$0.9 million due to maintenance of the existing private branch exchange phone system as agencies transition to a voice over Internet protocol platform;
 - Texas Agency Network – Funding provides \$142.3 million which reflects an increase of \$6.2 million related to an estimated increased in consumption of data and voice services;
 - Data Center Services (DCS) – Funding provides \$551.5 million which reflects an increase of \$71.5 million based on anticipated increased usage of (DCS) by customer agencies. Costs generally reflect amounts to maintain current service levels and projects initiated during the 2018–19 biennium, including certain agencies shifting procurement of Microsoft licensing costs from outside of the DCS program to the DCS program; and

- Texas.gov – Funding provides \$71.3 million, which represents an increase of \$37.7 million, in estimated payments to service providers for application development, application maintenance, and customer support for the portal for a full biennium; only one year of costs is included in 2018–19 biennial funding.
- Funding provides \$28.5 million in All Funds for information security programs and services, including \$10.4 million in General Revenue Funds. Funding includes an increase of \$7.2 million in General Revenue Funds to provide multifactor authentication to the state’s high-risk systems. Additionally, funding represents an increase \$4.0 million in Appropriated Receipts and Interagency Contracts related primarily to delays in testing services and assessments for state agencies due to implementation of new service provider contracts in the 2018–19 biennium.

STATE OFFICE OF RISK MANAGEMENT

FIGURE 32
STATE OFFICE OF RISK MANAGEMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$0.0	\$0.0	\$0.0	N/A
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$107.0	\$108.8	\$1.8	1.7%
Total, All Methods of Finance	\$107.0	\$108.8	\$1.8	1.7%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



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

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

Funding for the State Office of Risk Management (SORM) totals \$108.8 million in All Funds for the 2020–21 biennium, which is an increase of \$1.8 million from the 2018–19 biennium. SORM is under Strategic Fiscal Review and Sunset Review. The agency receives its funding primarily through allocation assessments paid by state entities that are participants in the state-administered workers' compensation program.

HIGHLIGHTS

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

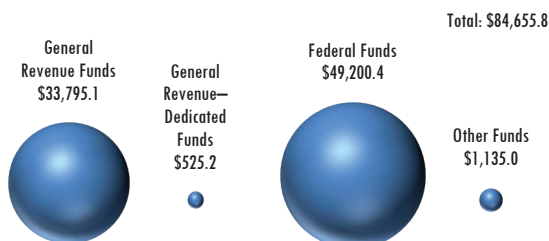
ARTICLE II – HEALTH AND HUMAN SERVICES

FIGURE 33
ARTICLE II – HEALTH AND HUMAN SERVICES, BY METHOD OF FINANCE

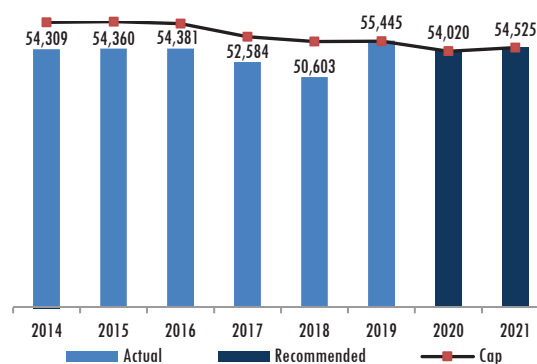
(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$34,716.3	\$33,795.1	(\$921.2)	(2.7%)
General Revenue–Dedicated Funds	\$566.9	\$525.2	(\$41.6)	(7.3%)
Federal Funds	\$46,704.3	\$49,200.4	\$2,496.1	5.3%
Other Funds	\$1,596.7	\$1,135.0	(\$461.7)	(28.9%)
Total, All Methods of Finance	\$83,584.2	\$84,655.8	\$1,071.6	1.3%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTES:

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

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

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE II

All Funds for the Health and Human Services agencies total \$84.7 billion, an increase of \$1.1 billion from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$34.3 billion, a decrease of \$962.8 million from the 2018–19 biennium.

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

- an increase of \$2.3 billion associated with projected caseload growth and maintaining fiscal year 2019 average costs or rates for Medicaid, CHIP, and child protective services programs including foster care;
- an increase of \$0.2 billion for Medicaid client services includes rate increases for certain providers and expansion of community-based long-term care, offset by a decrease of \$0.9 billion related to cost containment activities;
- a decrease of \$523.5 million in Federal Funds associated with one-time disaster-related federal funds and the Opioid State Targeted Response federal grant;

- more favorable Federal Medical Assistance Percentages result in a higher proportion of the Medicaid program being funded with Federal Funds, more than offsetting increased General Revenue demand associated with caseloads and costs resulting in an overall reduction to General Revenue; and
- an increase of \$109.9 million for state supported living centers, state hospitals, and community mental health hospitals, offset by a decrease of \$460.0 million in Other Funds associated with the Economic Stabilization Fund appropriated for capital repairs and renovations at state facilities in the 2018-19 biennium.

HIGHLIGHTS

- Funding of \$67.0 billion in All Funds, including \$25.0 billion in General Revenue Funds and \$0.1 billion in General Revenue–Dedicated Funds, is provided at the three health and human services agencies for the Texas Medicaid program. This amount is an increase of \$1.4 billion in All Funds and a decrease of \$1.6 billion in General Revenue Funds, including the following amounts:
 - included in these amounts is \$62.2 billion in All Funds for Medicaid client services, \$1.8 billion in All Funds for programs supported by Medicaid funding, and \$3.0 billion in All Funds for administration of the Medicaid program and other programs supported by Medicaid funding. The increase in Medicaid funding is due to increases of \$1.2 billion All Funds in Medicaid client services, \$0.1 billion All Funds in other programs supported by Medicaid funding, and \$58.9 million All Funds in administrative funding.
 - increased All Funds funding for Medicaid client services supports caseload growth, maintains fiscal year 2019 average costs for most services, and provides funding for cost growth associated with average costs established by the federal government. Funding also provides for 1,628 additional waiver slots to reduce the interest list for certain community-based waiver services, rate enhancements across community-based programs to increase attendant compensation, and an add-on payment for labor and delivery services provided by rural hospitals. More favorable Federal Medical Assistance Percentages result in a higher proportion of the program being funded with Federal Funds, more than offsetting increased General Revenue Funds demand associated with caseload and costs resulting in an overall reduction to General Revenue Funds of \$1.4 billion. Funding levels assume savings of \$900.0 million in All Funds, including \$350.0 million in General Revenue Funds, for Medicaid cost-containment initiatives. Full funding for anticipated increases in cost due to medical inflation, higher utilization, or increased acuity is not included.
 - the 2018–19 biennial amounts for Medicaid assume \$4.4 billion in All Funds, including \$2.1 billion in General Revenue Funds, in supplemental funding to complete fiscal year 2019 expenditures, which is included in the Senate version of the supplemental appropriations bill.
- Funding for non-Medicaid/CHIP behavioral health services at the three health and human services agencies totals \$3.1 billion in All Funds, including \$2.4 billion in General Revenue Funds and General Revenue–Dedicated Funds, which includes funding for community mental health services; mental health services for veterans; inpatient mental health services at state-owned and community hospitals; and substance abuse prevention, intervention, and treatment services. This is a decrease of \$275.9 million in All Funds and an increase of \$198.5 million in General Revenue Funds and General Revenue–Dedicated Funds, primarily due to:
 - a decrease in Other Funds associated with Economic Stabilization Funds appropriated for one-time construction projects and certain capital repair and renovation projects at the state hospitals and other state-funded inpatient mental health facilities,
 - a decrease in Federal Funds associated with an assumed reduction in the Opioid State Targeted Response federal grant;
 - an increase in General Revenue Funds for community behavioral health services, including funding to increase community mental health inpatient capacity and to expand outpatient community mental health capacity for adults and children; and

- an increase in General Revenue Funds for inpatient mental health services at state hospitals, including funding to operate expanded capacity at San Antonio State Hospital and Kerrville State Hospital.
- Funding includes \$1.9 billion in All Funds, including \$904.2 million in General Revenue Funds, for client services programs, including foster care, adoption subsidies, permanency care assistance payments, relative caregiver monetary assistance, and day care services at the Department of Family and Protective Services (DFPS). This includes an increase of \$100.6 million in All Funds from 2018–19 spending levels primarily to support projected caseload growth. The 2018-19 biennial amounts assume \$83.5 million in General Revenue Funds in supplemental funding to complete fiscal year 2019 expenditures for foster care, which is included in the Senate version of the supplemental appropriations bill.
- In addition to assumed supplemental funding mentioned above for Medicaid and foster care, the Senate version of the supplemental appropriations bill includes \$300.0 million in Economic Stabilization Funds for continued improvements at state-owned facilities.

Figure 34 shows the All Funds appropriation for each agency in Article II, and **Figure 35** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for some of the agencies in Article II.

FIGURE 34
ARTICLE II – HEALTH AND HUMAN SERVICES, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
FUNCTION				
Department of Family and Protective Services	\$4,175.1	\$4,462.0	\$287.0	6.9%
Department of State Health Services	\$1,688.2	\$1,671.7	(\$16.5)	(1.0%)
Health and Human Services Commission	\$76,381.5	\$77,065.0	\$683.6	0.9%
Subtotal, Health and Human Services	\$82,244.8	\$83,198.8	\$954.0	1.2%
Employee Benefits and Debt Service	\$2,131.7	\$2,230.1	\$98.4	4.6%
Less Interagency Contracts	\$792.2	\$773.1	(\$19.1)	(2.4%)
Total, All Functions	\$83,584.2	\$84,655.8	\$1,071.6	1.3%

NOTES:

(1) Includes anticipated supplemental spending adjustments.

(2) Excludes Interagency Contracts.

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

SOURCE: Legislative Budget Board.

FIGURE 35
ARTICLE II – HEALTH AND HUMAN SERVICES, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
FUNCTION				
Department of Family and Protective Services	\$2,389.5	\$2,574.8	\$185.3	7.8%
Department of State Health Services	\$475.6	\$553.6	\$78.0	16.4%
Health and Human Services Commission	\$30,417.1	\$29,164.7	(\$1,252.4)	(4.1%)
Subtotal, Health and Human Services	\$33,282.3	\$32,293.1	(\$989.2)	(3.0%)
Employee Benefits and Debt Service	\$1,434.1	\$1,502.0	\$68.0	4.7%
Total, All Functions	\$34,716.3	\$33,795.1	(\$921.2)	(2.7%)

NOTES:

(1) Includes anticipated supplemental spending adjustments.

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

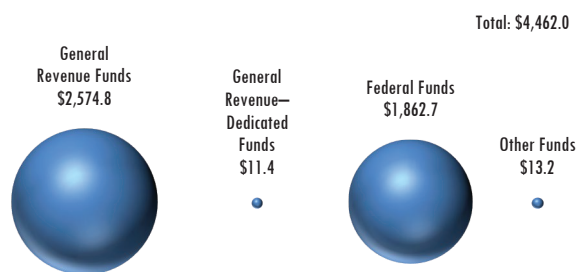
SOURCE: Legislative Budget Board.

DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

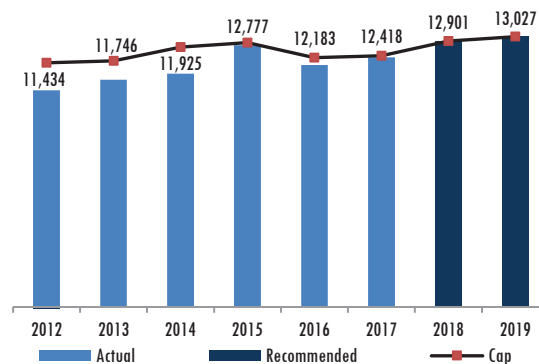
FIGURE 36
DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	2020–21	CHANGE	CHANGE
General Revenue Funds	\$2,389.5	\$2,574.8	\$185.3	7.8%
General Revenue–Dedicated Funds	\$11.4	\$11.4	\$0.0	0.0%
Federal Funds	\$1,760.7	\$1,862.7	\$101.9	5.8%
Other Funds	\$13.4	\$13.2	(\$0.3)	(1.9%)
Total, All Methods of Finance	\$4,175.1	\$4,462.0	\$287.0	6.9%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)



FULL-TIME-EQUIVALENT POSITIONS



NOTES:

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

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

Funding for the Department of Family and Protective Services (DFPS) for the 2020–21 biennium totals \$4.5 billion in All Funds, including \$2.6 billion in General Revenue Funds and \$11.4 million in General Revenue–Dedicated Funds. This amount represents a \$185.3 million, or 7.8 percent, increase in General Revenue Funds and a \$287.0 million, or 6.9 percent, increase in All Funds.

HIGHLIGHTS

- Funding includes a total of \$1.9 billion in All Funds and \$904.2 million in General Revenue Funds, an increase of \$100.6 million in All Funds and \$23.0 million in General Revenue Funds from 2018–19 biennial spending levels, for the following client services programs:
 - funding includes \$1.1 billion in All Funds and \$479.0 million in General Revenue Funds for Foster Care Payments, including those for Community-based Care. Funding includes a \$30.8 million increase in All Funds and \$14.5 million increase in General Revenue Funds from the 2018–19 biennial base. The increase is due primarily to projected caseload growth and increased network support payments for Community-based Care related to biennializing the expansion that occurred in fiscal year 2019 and expanding Community-based Care into two new regions and into stage 2 in Regions 3B, 2 and 8A. Increased General Revenue Funds demand associated with caseload growth and network support payments is mostly offset by a reduction in General Revenue Funds demand attributed to more favorable Federal Medical Assistance Percentages (FMAP). The 2018–19 biennial amounts assume \$83.5 million in

General Revenue Funds in supplemental funding to complete fiscal year 2019 expenditures for foster care, which is included in the Senate version of the supplemental appropriations bill;

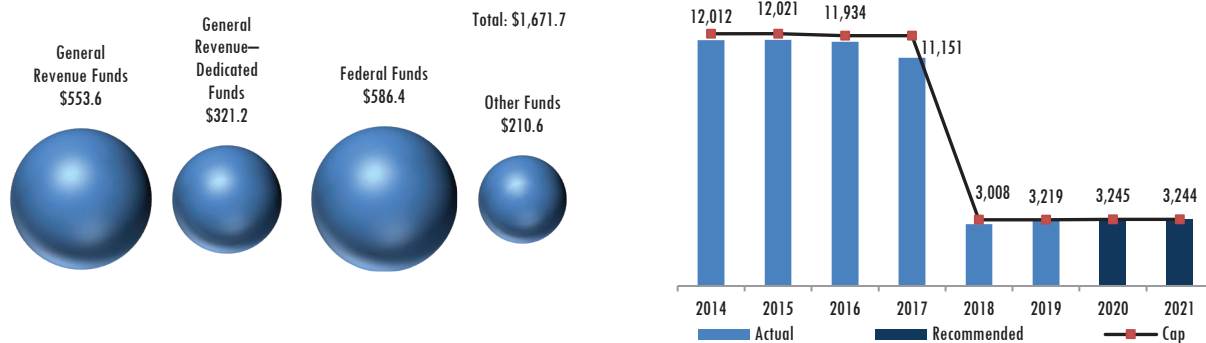
- funding includes \$612.4 million in All Funds and \$281.9 million in General Revenue Funds for Adoption Subsidies and Permanency Care Assistance Payments. Funding includes a \$46.8 million increase in All Funds due primarily to projected caseload growth. Increased General Revenue demand associated with caseload growth is more than offset by reductions attributed to more favorable FMAPs and an increase in federal Title IV-E eligibility resulting in a decrease of \$3.4 million in General Revenue Funds;
- funding includes \$197.5 million in All Funds and \$85.1 million in General Revenue Funds for Texas Workforce Commission (TWC) contracted day care services. Funding includes a \$15.3 million increase in All Funds (assumed to be funded with Child Care Development Block Grant Federal Funds) from the 2018–19 base related primarily to projected caseload and cost growth and to maintain a full biennium of rate increases implemented by TWC in August 2018; and
- funding includes \$80.6 million in All Funds and \$58.1 million in General Revenue Funds for Relative Caregiver Monetary Assistance Payments. Funding includes a \$7.7 million increase in All Funds from the 2018–19 biennial base related to projected caseload growth. An \$11.8 million increase in General Revenue Funds is due to caseload growth and reduced eligibility for Temporary Assistance for Needy Families (TANF) Federal Funds.
- Funding includes \$1.6 billion in All Funds for CPS direct delivery staff, including services provided through Community-based Care. This amount includes increased funding for additional full-time-equivalent (FTE) positions to maintain caseloads per worker for most caseworkers and to reduce caseloads per worker for conservatorship, kinship, foster and adoptive developmental home (FAD) and residential child care investigator caseworker. This amount also includes increased funding and a decrease in FTE positions to biennialize Community-based Care expansion that occurred in fiscal year 2019 and expand Community-based Care into two new regions and into stage 2 in Regions 3B, 2 and 8A.
- Funding includes \$109.1 million in All Funds and \$78.7 million in General Revenue Funds for Adult Protective Services direct delivery staff, an increase of \$14.1 million in All Funds and \$13.9 million in General Revenue Funds. This amount includes increased funding for additional FTE positions to maintain the caseload per worker ratio and funding for salary increases to improve retention.
- CPS funding also includes \$85.7 million in All Funds and \$55.0 million in General Revenue Fund for purchased services, including adoption, post-adoption and post-permanency, preparation for adult living (PAL) and substance abuse. This amount is an increase of \$10.2 million in All Funds and \$10.4 million in General Revenue Funds from the 2018–19 biennial base.
- Funding includes \$48.1 million in All Funds for Statewide Intake staff and \$22.0 million in General Revenue Funds, an increase of \$3.2 million in All Funds and \$2.9 million in General Revenue Funds. This amount includes increased funding for salary increases to improve retention.
- Funding includes an overall reduction of \$11.7 million in All Funds primarily for various information technology projects for Information Management Protecting Adults and Children in Texas and for projects related to programs that transferred to the Health and Human Services Commission pursuant to Senate Bill 11, Eighty-fifth Legislature, Regular Session, 2017.
- Funding includes \$1.3 million in All Funds and 2.0 FTE positions for the 2020–21 biennium for the continuation and expansion of the Human Trafficking Prevention team.

DEPARTMENT OF STATE HEALTH SERVICES

FIGURE 37
DEPARTMENT OF STATE HEALTH SERVICES, BY METHOD OF FINANCE

(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$475.6	\$553.6	\$78.0	16.4%
General Revenue–Funds	\$336.2	\$321.2	(\$15.0)	(4.5%)
Federal Funds	\$660.1	\$586.4	(\$73.7)	(11.2%)
Other Funds	\$216.3	\$210.6	(\$5.7)	(2.6%)
Total, All Methods of Finance	\$1,688.2	\$1,671.7	(\$16.5)	(1.0%)
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



NOTES:

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

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

Funding for the Department of State Health Services (DSHS) for the 2020–21 biennium totals \$1.7 billion in All Funds, which represents an All Funds decrease of \$16.5 million, or 1.0 percent. The decrease in funding is primarily related to one-time Hurricane Harvey Assistance federal funding and a decrease in federal funds for HIV activities. Funding is offset by an increase in funding primarily related to additional funding for the state public health laboratory; maternal mortality and morbidity; vital events records; salary increases for technical, scientific, and financial staff; infectious disease response; and Tuberculosis prevention activities.

HIGHLIGHTS

- Funding for the 2020–21 biennium represents an overall increase of \$79.6 million in General Revenue Funds and General Revenue–Dedicated Funds. Significant funding includes the following increases:
 - \$17.5 million for the state public health laboratory to address the agency's loss of revenue;
 - \$12.8 million for laboratory repairs and renovation and to purchase lab equipment and software;
 - \$10.5 million to detect and control the spread of Tuberculosis through expanding contracts with local health departments, improving tools and inpatient capacity, and a repairs and renovations at the Texas Center for Infectious Disease;

- \$7.7 million (includes \$1.6 million in General Revenue–Dedicated Account No. 524, Public Health Services Fees) to support newborn screening for X-linked Adrenoleukodystrophy;
- \$5.7 million to purchase an emergency laboratory generator through the Master Lease Purchase Program;
- \$4.5 million to increase salaries for certain laboratory staff;
- \$4.3 million to improve infectious disease response through the Texas Enhancement of the National Electronic Disease Surveillance System (NEDSS) and continue the Infectious Disease Response Unit;
- \$4.4 million for salary increases for certain personnel;
- \$2.6 million to implement maternal safety initiatives statewide;
- \$2.0 million and additional staff to address vital records request backlog and improve the quality of death data; and
- \$1.3 million to replace 49 vehicles, primarily in DSHS regional offices.
- Funding for the 2020–21 biennium includes \$251.8 million in General Revenue Funds and General Revenue–Dedicated Funds for EMS and Trauma Care Systems, which is a decrease of \$1.9 million from the 2018–19 biennium, due primarily to a decrease in fund balance in the General Revenue–Dedicated Account No. 5111, Trauma Facility and EMS. The \$2.3 million decrease would decrease the Interagency Contract with the Health and Human Services Commission (HHSC) for add-on payments for trauma and safety-net hospitals. This decrease is offset by other methods of finance at HHSC.
- Funding represents a decrease of \$6.5 million in General Revenue–Dedicated Funds Accounts No. 5044, No. 5045, and No. 5046 (Permanent Tobacco Funds) due to an expected decrease in interest earnings available for appropriation. This decrease is offset by an increase of \$5.9 million in General Revenue Funds, including:
 - \$1.5 million for regional and local health services;
 - \$3.0 million for tobacco prevention education; and
 - \$1.4 million to support the development of emergency medical services and trauma systems.
- Funding represents a decrease of \$10.8 million in Other Funds from HIV Vendor Drug Rebate Revenue available for appropriation in the 2020–21 biennium, primarily attributable to a pharmaceutical manufacturer leaving the federal program.
- Funding represents a method-of-finance swap for laboratory activities of \$5.9 million in Other Funds from Account No. 709, Public Health Medicaid Reimbursements, for General Revenue–Dedicated Account No. 524, Public Health Services Fees, due to a decreasing fund balance.

HEALTH AND HUMAN SERVICES COMMISSION

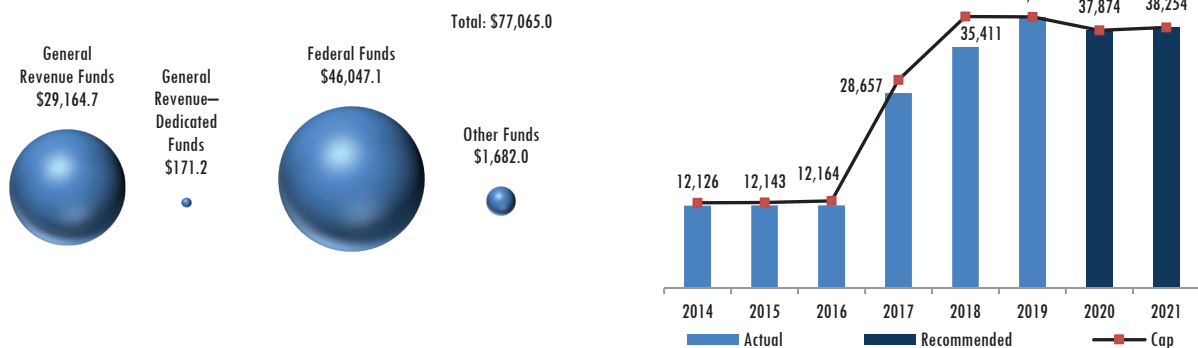
FIGURE 38
HEALTH AND HUMAN SERVICES COMMISSION, BY METHOD OF FINANCE

(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$30,417.1	\$29,164.7	(\$1,252.4)	(4.1%)
General Revenue–Dedicated Funds	\$197.1	\$171.2	(\$25.9)	(13.1%)
Federal Funds	\$43,610.4	\$46,047.1	\$2,436.7	5.6%
Other Funds	\$2,156.8	\$1,682.0	(\$474.8)	(22.0%)
Total, All Methods of Finance	\$76,381.5	\$77,065.0	\$683.6	0.9%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

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

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

Funding for the Health and Human Services Commission (HHSC) for the 2020–21 biennium totals \$77.1 billion in All Funds, which is an increase of \$683.6 million in All Funds from the 2018–19 biennium. General Revenue Funds total \$29.2 billion, a decrease of \$1.3 billion from the 2018–19 biennium. The Office of Inspector General is under Strategic Fiscal Review.

HIGHLIGHTS

- Funding for Medicaid client services at HHSC for the 2020–21 biennium includes \$62.2 billion in All Funds, including \$23.4 billion in General Revenue Funds and General Revenue–Dedicated Funds, reflecting an increase of \$1.2 billion in All Funds and a decrease of \$1.7 billion in General Revenue Funds and General Revenue–Dedicated Funds from 2018–19 biennial spending levels. The net increase for Medicaid client services is primarily related to projected caseload growth, maintaining fiscal year 2019 average cost for most services, and cost growth associated with average costs established by the federal government. Funding also includes an increase of \$175.0 million in All Funds, including \$64.6 million in

General Revenue Funds, to provide for 1,628 additional waiver slots to reduce the interest list for certain community-based waiver services, rate enhancements across community-based programs to increase attendant compensation, and an add-on payment for labor and delivery services provided by rural hospitals. Funding includes a decrease of \$900.0 million in All Funds, including \$350.0 million in General Revenue Funds, for Medicaid cost-containment initiatives. More favorable Federal Medical Assistance Percentages (FMAP) result in a higher proportion of the program being funded with Federal Funds, which more than offsets the increased General Revenue demand associated with caseload and costs, contributing to the overall reduction to General Revenue Funds and General Revenue-Dedicated Funds of \$1.7 billion. Cost growth for the 2020–21 biennium is not included. The 2018–19 biennial spending levels for Medicaid client services assume \$4.4 billion in All Funds, including \$2.1 billion in General Revenue Funds, in supplemental funding to complete fiscal year 2019 expenditures, as included in the Senate version of the supplemental appropriations bill.

- Funding for the Children’s Health Insurance Program (CHIP) client services for the 2020–21 biennium includes \$2.2 billion in All Funds, including \$459.4 million in General Revenue Funds, reflecting an increase of \$186.8 million in All Funds, including \$314.3 million in General Revenue Funds, from 2018–19 biennial spending levels. The All Funds increase is related primarily to projected caseload growth and the maintenance of fiscal year 2019 average costs. More favorable Enhanced Federal Medical Assistance Percentages are offset by the phase-out of the 23.0 percentage-point increase to matching rates pursuant to the federal Affordable Care Act, resulting in a decrease of the proportion of the program that is federally funded. Cost growth for CHIP in the 2018–19 biennium is not included.
- Funding for non-Medicaid/CHIP behavioral health totals \$3.1 billion in All Funds, including \$2.3 billion in General Revenue Funds and General Revenue–Dedicated Funds, and includes funding for inpatient client services at the state hospitals and community hospitals; outpatient services provided through Local Mental Health Authorities and Local Behavioral Health Authorities; substance abuse prevention, intervention, and treatment services for adults and children; mental health care services for veterans; and a variety of other services. This is a decrease of \$293.4 million in All Funds and an increase of \$181.1 million in General Revenue and General Revenue–Dedicated Funds. Behavioral health-related expenditures in Medicaid are estimated to be \$3.4 billion in All Funds for the biennium (when including cost growth that is not funded) and behavioral health-related expenditures in CHIP are estimated to be \$111.7 million in All Funds for the biennium (when including cost growth that is not funded). Total behavioral health-related funding at HHSC including estimated Medicaid and CHIP expenditures is estimated to be \$6.6 billion in All Funds for the biennium:
 - funding for community mental health services totals \$1.4 billion in All Funds, including \$1.2 billion in General Revenue Funds. This is an increase of \$90.2 million in All Funds, including \$78.3 million in General Revenue Funds, primarily related to maintaining fiscal year 2019 service levels for certain community mental health grant programs and to expand outpatient treatment capacity for adults and children;
 - funding for substance abuse services totals \$435.7 million in All Funds, including \$93.4 million in General Revenue Funds. This is a decrease of \$81.9 million in All Funds, primarily related to a projected decrease in the Opioid State Targeted Response federal grant;
 - funding for state mental health hospitals totals \$886.6 million in All Funds, including \$755.0 million in General Revenue Funds, reflecting an increase of \$82.5 million in All Funds, including \$88.5 million in General Revenue Funds, from 2018–19 biennial spending levels, an increase of \$50.0 million in All Funds, including \$49.2 million in General Revenue Funds, for daily operations; \$14.0 million in General Revenue Funds to address agency-projected cost growth; \$15.5 million in General Revenue Funds to staff and operate expanded capacity at San Antonio State Hospital and Kerrville State Hospital; and \$10.2 million in General Revenue Funds for salary increases for psychiatric nursing assistants; and
 - funding represents a decrease of \$380.5 million in Other Funds associated with the Economic Stabilization Fund appropriated for onetime construction projects at the state hospitals and other state-funded inpatient mental health facilities.
- Funding for Medicaid and CHIP contracts and administration totals \$1.2 billion in All Funds, including \$417.3 million in General Revenue Funds, for the 2020–21 biennium, representing an increase of \$92.0 million in All Funds, including

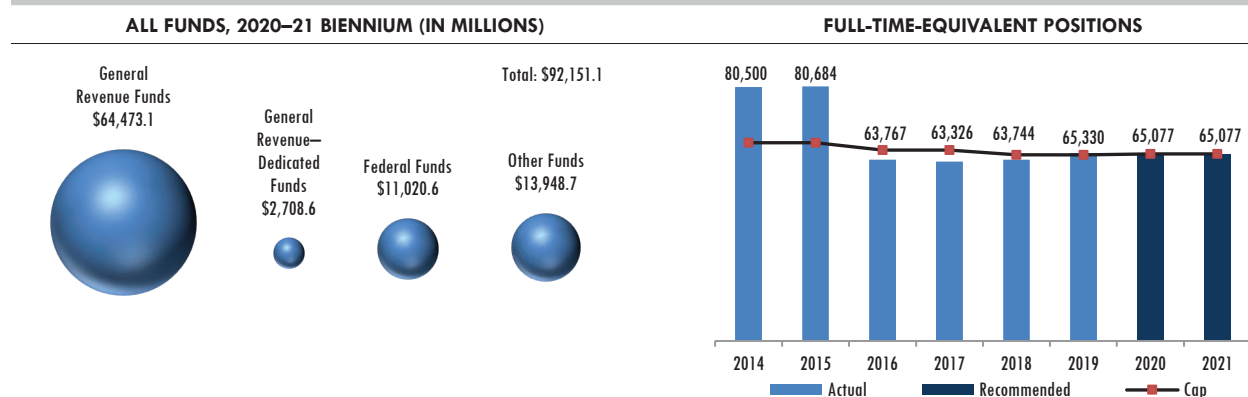
\$24.3 million in General Revenue Funds, from 2018–19 biennial spending levels to increase contract monitoring and oversight staff, transition current information technology functions related to waiver programs for Individuals with Intellectual and Development Disabilities into managed care, and provide for updates to the Medicaid Management and Information System (MMIS), partially offset by the transfer of the Subrogation and Recovery program to the Office of the Inspector General.

- Funding for the state supported living centers (SSLC) totals \$1.4 billion in All Funds for the 2020–21 biennium, including \$529.5 million in General Revenue Funds, representing an increase of \$16.1 million in All Funds related to salary increase for direct care staff and technology upgrades. More favorable FMAPs result in a higher proportion of the program being funded with Federal Funds, resulting in an overall decrease to General Revenue Funds of \$39.2 million. An additional decrease of Economic Stabilization Funds of \$78.1 million for capital repairs and renovations at the SSLCs does not contribute to the decrease previously referenced.
- Funding for Women’s Health Programs includes \$314.6 million in All Funds, including \$176.9 million in General Revenue Funds, for the 2020–21 biennium, reflecting an increase of \$35.6 million in All Funds, and a decrease of \$22.9 million in General Revenue Funds, from 2018–19 biennial spending levels.
- Funding for Early Childhood Intervention (ECI) services totals \$313.1 million in All Funds, including \$77.2 million in General Revenue Funds, for the 2020–21 biennium, representing an increase of \$23.7 million in All Funds, including \$17.0 million in General Revenue Funds, from 2018–19 biennial spending levels.
- Funding for Integrated Eligibility and Enrollment totals \$1.3 billion in All Funds, including \$430.8 million in General Revenue Funds, representing a decrease of \$54.4 million in All Funds, \$71.6 million in General Revenue Funds, from 2018–19 biennial spending levels. The 2018–19 biennial spending levels include the expenditure of General Revenue Funds that were made available by a matching rate that was more favorable than the rate assumed in the Eighty-fifth Legislature, General Appropriations Act, 2018–19 Biennium, and the associated additional federal matching funds. Funding for Integrated Eligibility and Enrollment is maintained at the lower 2018–19 biennial appropriated level, partially offset by an increase of \$44.9 million in All Funds, including \$28.0 million in General Revenue Funds primarily to retain eligibility-related staffing above the 2018–19 biennial appropriated level.
- Funding for the Office of Inspector General (OIG) totals \$111.0 million in All Funds, including \$45.9 million in General Revenue Funds, reflecting an increase of \$2.4 million in All Funds, including \$0.3 million in General Revenue Funds, from 2018–19 biennial spending levels, due primarily to funding provided for an additional 5.0 full-time-equivalent positions related to fraud, waste, and abuse investigations and the transfer to OIG of the Subrogation and Recovery program from HHSC offset by a decrease to maintain the 2018–19 biennial base spending level for direct support services.
- Funding for disaster assistance represents a decrease of \$409.8 million in Federal Funds related to onetime funding for Hurricane Harvey response.
- In addition to assumed supplemental funding previously mentioned for Medicaid, the Senate version of the supplemental appropriations bill includes \$300.0 million in Economic Stabilization Funds for continued improvements at state-owned facilities.

ARTICLE III – EDUCATION

FIGURE 39
ARTICLE III – EDUCATION RECOMMENDATIONS BY METHOD OF FINANCE

(IN MILLIONS)				
METHOD OF FINANCE	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$56,458.4	\$64,473.1	\$8,014.8	14.2%
General Revenue–Dedicated Funds	\$2,822.5	\$2,708.6	(\$113.9)	(4.0%)
Federal Funds	\$10,802.5	\$11,020.6	\$218.1	2.0%
Other Funds	\$11,145.7	\$13,948.7	\$2,803.1	25.1%
Total, All Methods of Finance	\$81,229.0	\$92,151.1	\$10,922.0	13.4%



NOTES:

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

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

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE III

Public Education All Funds appropriations, excluding the Teacher Retirement System, the Optional Retirement Program, and end-of-article benefits, total \$65.1 billion for the 2020–21 biennium, an increase of \$9.7 billion, or 17.4 percent from the 2018–19 biennium. General Revenue Funds total \$43.7 billion, an increase of \$7.0 billion, or 19.0 percent, from the 2018–19 biennium. Other Funds total \$10.7 billion for the 2020–21 biennium, an increase of \$2.5 billion, or 30.3 percent. Federal Funds total \$10.7 billion, a \$204.7 million, or 1.9 percent increase, primarily attributable to Child Nutrition.

- General Revenue funding of \$9.0 billion is provided contingent on legislation, including \$4.0 billion for a classroom teacher and school librarian salary increase (\$3.7 billion in the Foundation School Program and \$0.3 million to the Teacher Retirement System for the associated benefits), \$2.7 billion for providing property tax relief and reducing reliance on recapture paid by school districts, and \$2.3 billion for additional public education funding.
- The majority of Public Education funding consists of state aid for school districts and charter schools through the Foundation School Program (FSP) system, and is driven by statutory formulas, amounts specified in the General Appropriations Act, and projected enrollment and district property value amounts. Including contingency funding of \$8.7 billion, FSP funding for the 2020–21 biennium includes \$41.7 billion in General Revenue Funds and \$52.3 billion in All Funds.
- General Revenue Funds for the New Instructional Facilities Allotment are increased by \$4.5 million in the biennium to the annual statutory maximum of \$26.0 million.
- Instructional materials and technology funding is \$1,106.0 million in General Revenue Funds and is based on a distribution rate of 50 percent of the Permanent School Fund to the Available School Fund. This funding level is a \$2.6 million increase from 2018–19 appropriations, but a \$166.7 million decrease from 2018–19 budgeted amounts, due to \$169.6 million in unexpended balances from fiscal year 2017 carried into the 2018–19 biennium.

Other non-FSP program and administration funding for the 2020–21 biennium includes \$811.9 million in General Revenue Funds appropriations. Funding includes \$50.5 million for a new Special Education Supports Program and increases totaling \$19.5 million for existing programs. These increases are offset partially by decreases of \$9.3 million representing cost-savings measures and the expiration of onetime funding and other adjustments. For teacher benefits, the Senate version of the supplemental bill includes \$542.0 million from the Economic Stabilization Fund for the Teacher Retirement System Trust Account. This funding includes \$347.0 million supporting a state contribution rate increase and \$195.0 million to provide retirees with a thirteenth check capped at \$500.

In addition to the supplemental funding, funding for teacher retirement benefits totals \$4.1 billion in All Funds for the state contribution to retirement benefits of the Teacher Retirement System (TRS). Retiree health insurance funding totals \$1.1 billion in General Revenue Funds. Funding includes \$879.4 million in General Revenue Funds to provide a statutorily required state contribution to TRS-Care of 1.25 percent of public education payroll. Funding also includes \$230.8 million above statutorily required amounts in General Revenue Funds to maintain plan year 2019 TRS-Care premiums and benefits in the 2020–21 biennium.

Funding for Higher Education, excluding end of article benefits, totals \$20.3 billion in All Funds for the 2020–21 biennium, an increase of \$824.1 million, or 4.2 percent from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$17.0 billion, an increase of \$566.6 million, or 3.5 percent from the 2018–19 biennium. The majority of higher education funding provided from General Revenue and General Revenue–Dedicated funding consists of formula funding into the General Academic Institutions, Lamar State Colleges, Texas State Technical Colleges, Health Related Institutions, and the Public Community and Junior Colleges, including the following areas:

- Higher Education formulas are supported by \$7.8 billion in General Revenue Funds and \$1.5 billion in General Revenue–Dedicated Funds. Included in this amount are increases of \$550.9 million in General Revenue Funds and a decrease of \$2.4 million in General Revenue–Dedicated Funds, which is primarily statutory tuition. For most of the higher education formulas, the 2020–21 biennial rates are increased from 2018–19 levels. For the Public Community and Junior Colleges, core operations and the contact hour rate from the 2018–19 biennium are maintained. Additionally, a new mission specific formula for The University of Texas Southwestern Medical Center, the Performance Based Research Operations formula is implemented for the 2020–21 biennium.
- Funding for non-formula support items at all institutions in the 2020–21 biennium totals \$771.2 million in General Revenue Funds, which is a decrease of \$88.5 million from the 2018–19 biennium. The decrease is primarily due to the reallocation of \$79.0 million of UT Southwestern Medical Center’s research non-formula support items to the Performance Based Research Operations Formula.
- Funding in the 2020–21 biennium for tuition revenue bond debt service totals \$980.9 million in General Revenue Funds, which is a decrease of \$31.1 million from the 2018–19 biennium.
- Funding for Graduate Medical Education (GME) Expansion at the Texas Higher Education Coordinating Board provides a total of \$157.2 million in All Funds for GME Expansion. This amount includes \$135.2 million in General Revenue Funds, an increase of \$60.0 million from 2018–19 funding levels, and \$22.0 million in distributions from the Permanent Fund Supporting Graduate Medical Education (Other Funds), an increase of \$0.2 million to meet the 1.1-to-1.0 ratio of first-year residency positions for each Texas medical school graduate.
- Funding for the TEXAS Grant Program totals \$866.4 million, an increase of \$80.0 million in General Revenue Funds levels from the 2018–19 biennial levels and would support 70.0 percent of eligible students.
- Funding at the Texas Higher Education Coordinating Board includes \$100.0 million in General Revenue Funds contingent on the passage of Senate Bill 10 or similar legislation related to the establishment of the Texas Mental Health Care Consortium.
- The Senate version of the supplemental appropriations bill includes \$111.3 million from the Economic Stabilization Fund to various agencies and institutions of higher education. This includes:
 - \$53.9 million from the Economic Stabilization Fund for Hurricane Harvey-related expenses at The University of Texas at Austin’s Marine Science Institute, University of Houston, University of Houston – Clear Lake, University of Houston – Downtown, University of Houston – Victoria, and Lone Star College System; and

- \$57.4 million to Texas A&M Forest Service for wildfire and Hurricane Harvey-related costs from the Economic Stabilization Fund.

Figure 40 shows the All Funds appropriation for each agency in Article III, and **Figure 41** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for some of the agencies in Article III.

FIGURE 40
ARTICLE III – EDUCATION RECOMMENDATIONS BY AGENCY OR GROUP, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
Public Education				
Texas Education Agency	\$55,352.9	\$65,012.6	\$9,659.7	17.5%
School for the Blind and Visually Impaired	\$47.2	\$47.3	\$0.1	0.1%
School for the Deaf	\$58.9	\$70.3	\$11.5	19.5%
Subtotal, Public Education	\$55,459.0	\$65,130.2	\$9,671.2	17.4%
Public Higher Education				
General Academic Institutions	\$7,239.1	\$7,368.5	\$129.4	1.8%
Health Related Institutions	\$3,255.9	\$3,297.3	\$41.4	1.3%
Texas A&M System Agencies	\$1,025.1	\$1,029.4	\$4.3	0.4%
Higher Education Coordinating Board	\$1,583.6	\$1,773.7	\$190.2	12.0%
Higher Education Funds	\$2,906.0	\$3,270.3	\$364.3	12.5%
Article III, Special Provisions	\$0.0	\$0.0	\$0.0	N/A
Two-Year Institutions				
Public Community/Junior Colleges	\$1,794.5	\$1,854.5	\$59.9	3.3%
Lamar Lower-level Institutions	\$70.1	\$70.7	\$0.6	0.9%
Texas State Technical Colleges	\$166.1	\$197.0	\$30.9	18.6%
Subtotal, Two-Year Institutions	\$2,030.8	\$2,122.2	\$91.4	4.5%
Subtotal, Public Higher Education	\$18,040.4	\$18,861.3	\$821.0	4.6%
Teacher Retirement System	\$5,403.4	\$5,791.4	\$388.0	7.2%
Optional Retirement Program	\$297.6	\$296.8	(\$0.8)	(0.3%)
Higher Education Employees Group Insurance Contributions	\$1,412.2	\$1,415.3	\$3.1	0.2%
Retirement and Group Insurance	\$92.0	\$96.8	\$4.9	5.3%
Social Security and Benefit Replacement Pay	\$631.9	\$660.3	\$28.4	4.5%
Subtotal, Employee Benefits	\$7,837.1	\$8,260.6	\$423.5	5.4%
Bond Debt Service Payments	\$20.8	\$15.2	(\$5.6)	(27.0%)
Lease Payments	\$0.4	\$0.0	(\$0.4)	(100.0%)
Subtotal, Debt Service	\$21.2	\$15.2	(\$6.0)	(28.4%)
Less Interagency Contracts	\$128.6	\$116.3	(\$12.3)	(9.5%)
Total, All Functions	\$81,229.0	\$92,151.1	\$10,922.0	13.4%

NOTES:

(1) Excludes Interagency Contracts.

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

SOURCE: Legislative Budget Board.

FIGURE 41
ARTICLE III – EDUCATION RECOMMENDATIONS BY AGENCY OR GROUP, GENERAL REVENUE FUNDS

(IN MILLIONS)				
FUNCTION	ESTIMATED/ BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
Public Education				
Texas Education Agency	\$36,643.2	\$43,597.9	\$6,954.6	19.0%
School for the Blind and Visually Impaired	\$31.5	\$32.0	\$0.5	1.6%
School for the Deaf	\$37.6	\$48.8	\$11.2	29.8%
Subtotal, Public Education	\$36,712.3	\$43,678.7	\$6,966.3	19.0%
Public Higher Education				
General Academic Institutions	\$5,007.7	\$5,186.2	\$178.4	3.6%
Health Related Institutions	\$2,855.0	\$2,977.5	\$122.5	4.3%
Texas A&M System Agencies	\$355.1	\$363.6	\$8.6	2.4%
Higher Education Coordinating Board	\$1,396.9	\$1,628.1	\$231.2	16.6%
Higher Education Funds	\$817.5	\$817.5	\$0.0	0.0%
Two-Year Institutions				
Public Community/Junior Colleges	\$1,794.5	\$1,854.5	\$59.9	3.3%
Lamar Lower-level Institutions	\$54.3	\$57.0	\$2.7	5.1%
Texas State Technical Colleges	\$139.1	\$183.5	\$44.4	31.9%
Subtotal, Two-Year Institutions	\$1,987.9	\$2,095.0	\$107.0	5.4%
Subtotal, Higher Education	\$12,420.1	\$13,067.9	\$647.7	5.2%
Teacher Retirement System	\$5,078.0	\$5,461.1	\$383.1	7.5%
Optional Retirement Program	\$246.5	\$243.2	(\$3.3)	(1.3%)
Higher Education Employees Group Insurance Contributions	\$1,412.2	\$1,415.3	\$3.1	0.2%
Retirement and Group Insurance	\$74.0	\$76.2	\$2.2	3.0%
Social Security and Benefit Replacement Pay	\$494.4	\$515.6	\$21.2	4.3%
Subtotal, Employee Benefits	\$7,305.1	\$7,711.5	\$406.4	5.6%
Bond Debt Service Payments	\$20.5	\$15.2	(\$5.3)	(25.9%)
Lease Payments	\$0.4	\$0.0	(\$0.4)	(100.0%)
Subtotal, Debt Service	\$20.9	\$15.2	(\$5.7)	(27.3%)
Total, All Functions	\$56,458.4	\$64,473.1	\$8,014.8	14.2%

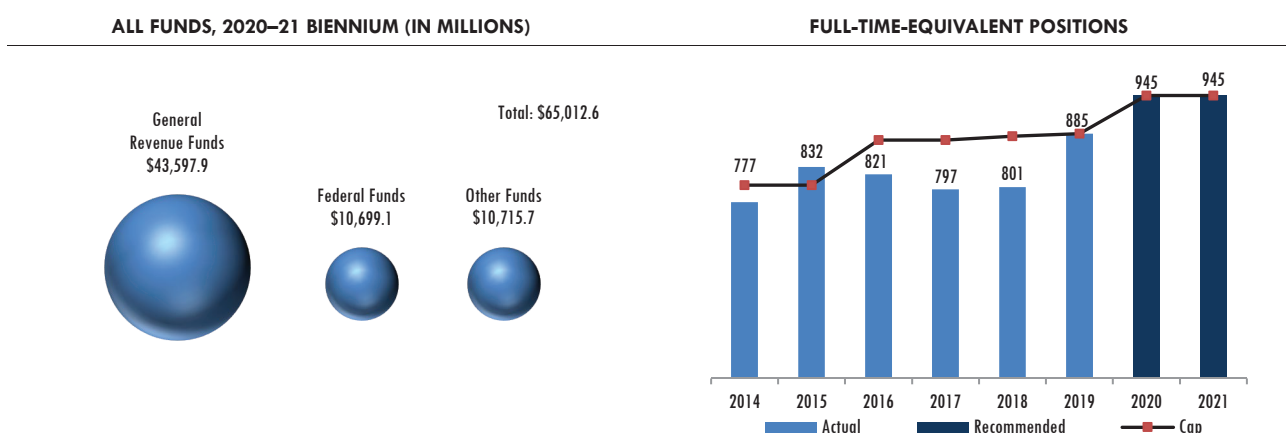
NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

TEXAS EDUCATION AGENCY

FIGURE 42
TEXAS EDUCATION AGENCY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$36,643.2	\$43,597.9	\$6,954.6	19.0%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$10,494.4	\$10,699.1	\$204.7	2.0%
Other Funds	\$8,215.3	\$10,715.7	\$2,500.4	30.4%
Total, All Methods of Finance	\$55,352.9	\$65,012.6	\$9,659.7	17.5%



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

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

Funding for the Texas Education Agency for the 2020–21 biennium totals \$65.0 billion in All Funds, a \$9.7 billion, or 17.5 percent increase compared to the 2018–19 biennium. General Revenue funding is increased by \$7.0 billion over the 2018–19 biennium, attributable to increases of \$8.7 billion in General Revenue Funds for teacher and school librarian salary increases, property tax relief, and school finance reform, partially offset by a decrease of \$1.6 billion in the state's current law obligations for the Foundation School Program and by a net General Revenue Funds decrease of \$106.2 million for non-Foundation School Program (FSP) programs and administration.

HIGHLIGHTS

- Funding of \$8.7 billion in General Revenue Funds is provided contingent on legislation, including \$3.7 billion for a classroom teacher and school librarian salary increase, \$2.7 billion for providing property tax relief and reducing reliance on recapture, and \$2.3 billion for additional funding for public education.
- Including funding contingent on enactment of legislation, FSP funding for the 2020–21 biennium includes \$41.7 billion in General Revenue Funds and \$52.3 billion in All Funds.
- FSP-related General Revenue Funds for the New Instructional Facilities Allotment is increased by \$4.5 million for the 2020–21 biennium to the annual statutory maximum of \$26.0 million.
- Instructional materials and technology funding is \$1,106.0 million in General Revenue Funds and is based on a distribution rate of 50.0 percent of the Permanent School Fund (PSF) to the Available School Fund (ASF). This funding level is a \$2.6 million increase from 2018–19 biennial appropriations, but is a \$166.7 million decrease from 2018–19

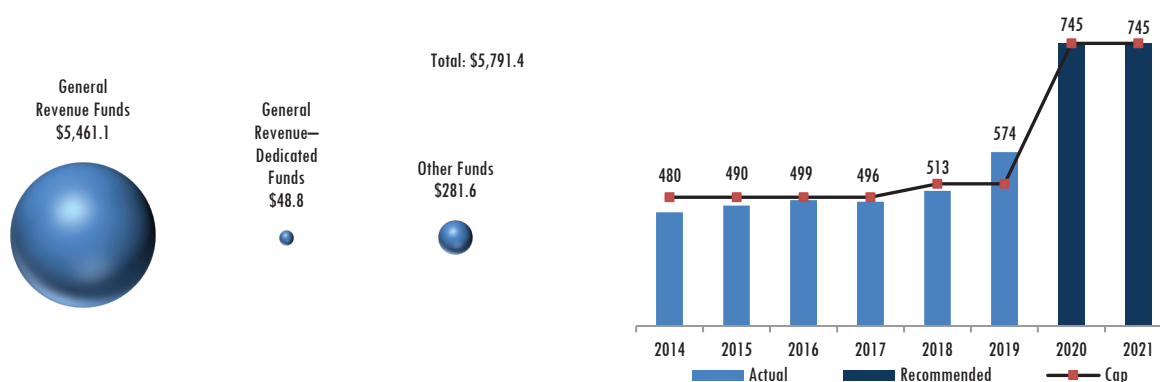
biennial budgeted amounts, due to \$169.6 million in unexpended balances from fiscal year 2017 carried into the 2018–19 biennium.

- Other non-FSP program and administration funding for the 2020-21 biennium includes \$811.9 million in General Revenue Funds appropriations. Programs receiving increases include a new Special Education Supports Program (\$50.5 million); Windham School District (\$6.3 million); the Adult Charter School program (\$5.5 million); the Texas Advanced Placement Initiative (\$3.9 million); Pathways in Technology Early College High School (P-TECH) (\$3.0 million); the Amachi mentoring program (\$0.7 million); and the Best Buddies program (\$0.1 million). These increases are offset by a \$0.6 million decrease related to insourcing software maintenance and a \$8.7 million decrease related to the expiration of one-time funding and other adjustments.
- The agency's full-time-equivalent (FTE) position cap is increased by a net total of 60.0 from 885.0 to 945.0. Of the new FTE positions, 54.0 will be used to implement the agency's Special Education Strategic Plan and will be completely paid for with federal Individuals with Disabilities Education Act funds. Another 12.0 FTE positions paid for with General Revenue Funds will provide software maintenance services previously outsourced to an external entity. In addition, 6.0 FTE positions were removed from the cap because their function was for a onetime purpose during the 2018–19 biennium.

TEACHER RETIREMENT SYSTEM

FIGURE 43
TEACHERS RETIREMENT SYSTEM, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$5,078.0	\$5,461.1	\$383.1	7.5%
General Revenue–Dedicated Funds	\$85.6	\$48.8	(\$36.8)	(43.0%)
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$239.9	\$281.6	\$41.7	17.4%
Total, All Methods of Finance	\$5,403.4	\$5,791.4	\$388.0	7.2%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



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

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

Funding for the Teacher Retirement System for the 2020–21 biennium totals \$5.8 billion in All Funds. This represents an increase of \$388.0 million, or 7.2 percent, above the 2018–19 biennial base. The increase is due primarily to an additional \$293.2 million in General Revenue Funds for the benefits associated with a teacher and school librarian salary increase, contingent on enactment of legislation, \$230.8 million in General Revenue Funds for TRS-Care, and \$217.0 million in All Funds to cover projected payroll growth in the 2020–21 biennium, partially offset by a decrease of \$394.6 million in onetime General Revenue funding for TRS-Care provided in the 2018–19 biennium.

Funding consists of state contributions for public and higher education retirement and retired public education employee health care benefits (TRS-Care), based on active member payroll amounts. Funding also includes an additional \$230.8 million in General Revenue Funds above amounts estimated to be statutorily required for TRS-Care to maintain plan year 2019 premiums and benefits in the 2020–21 biennium. TRS is under Strategic Fiscal Review.

In addition to the above, the Senate version of the supplemental bill includes \$542.0 million in Economic Stabilization Funds for the Teacher Retirement System Trust Account. This funding includes \$347.0 million supporting a state contribution rate increase and \$195.0 million to provide retirees with a 13th check capped at \$500.

HIGHLIGHTS

- Funding includes \$5.5 billion in General Revenue Funds and \$48.8 million in General Revenue–Dedicated Funds. Funding represents a state contribution rate of 6.8 percent of active member payroll for retirement benefits. Excluding contingency funding, public education retirement benefits funding totals an estimated \$3.7 billion in General Revenue

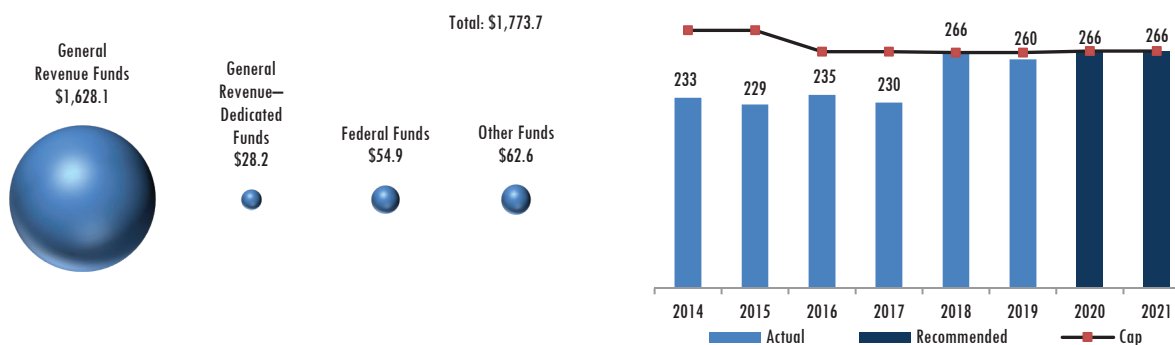
Funds for the 2020–21 biennium, a 5.7 percent increase above the 2018–19 biennial base. The increase is attributable primarily to the growth of public education payroll, projected to be an average of 3.9 percent each year of the 2020–21 biennium across public education retirement and TRS-Care strategies. Funding for higher education retirement benefits totals an estimated \$368.5 million in All Funds for the 2020–21 biennium, an 11.8 percent decrease from the 2018–19 biennial base due to lower than expected growth of higher education retirement contributions covered by General Revenue Funds.

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

TEXAS HIGHER EDUCATION COORDINATING BOARD

FIGURE 44
TEXAS HIGHER EDUCATION COORDINATING BOARD, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$1,396.9	\$1,628.1	\$231.2	16.6%
General Revenue–Dedicated Funds	\$45.3	\$28.2	(\$17.2)	(37.9%)
Federal Funds	\$60.3	\$54.9	(\$5.5)	(9.1%)
Other Funds	\$81.1	\$62.6	(\$18.4)	(22.7%)
Total, All Methods of Finance	\$1,583.6	\$1,773.7	\$190.2	12.0%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



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

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

Funding for the Texas Higher Education Coordinating Board for the 2020–21 biennium totals \$1.8 billion in All Funds, a \$190.2 million, or 12.0 percent, increase compared to 2018–19 biennial funding levels. Funding includes \$1.6 billion in General Revenue Funds, an increase of \$231.2 million, or 16.6 percent, compared to 2018–19 biennial funding levels.

HIGHLIGHTS

- Funding includes a total of \$157.2 million in All Funds for Graduate Medical Education (GME) Expansion. This includes \$135.2 million in General Revenue Funds, an increase of \$60.0 million from 2018–19 biennial funding levels, and \$22.0 million in distributions from the Permanent Fund Supporting Graduate Medical Education (Other Funds), an increase of \$0.2 million to meet the 1.1 to 1 ratio of first year residency positions for each Texas medical school graduate.
- Funding includes \$100.0 million in General Revenue contingent on the passage of Senate Bill 10, or similar legislation related to the establishment of the Texas Mental Health Care Consortium.
- Funding for the TEXAS Grant Program totals \$866.4 million, an increase of \$80.0 million in General Revenue Funds levels from the 2018–19 biennial levels and would support 70.0 percent of eligible students.
- Funding provides \$0.5 million in General Revenue Funds for information technology modernization.
- Funding for Open Educational Resources totals \$0.7 million, an increase of \$0.5 million in General Revenue Funds from 2018–19 biennial levels and would support the development of a repository for Open Educational Resources and additional grants for the development of Open Educational Resources courses.

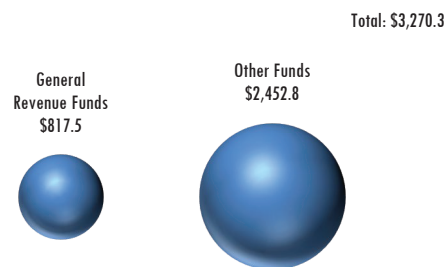
- Funding provides \$0.3 million in General Revenue funds for Texas Success Initiative Assessment Enhancement and Success for the establishment of an online system to retrieve and send student test results to institutions of higher education.
- Funding provides \$0.2 million in General Revenue funds to cover costs associated with the acquisition of National Student Clearinghouse data.
- Funding provides \$0.2 million in General Revenue funds for a facilities contract lease extension.
- Funding provides \$50,000 in General Revenue funds for student support initiatives.
- Funding for the Tuition Equalization Grant Program totals \$177.6 million, an increase of \$5.8 million in General Revenue Funds from 2018–19 biennial levels.
- Funding provides \$0.2 million in General Revenue Funds for the B-On-Time Program-Private, a decrease of \$7.1 million in General Revenue Funds. Appropriations support only renewal awards in the program at private institutions during the 2020–21 biennium.
- Funding for the B-On-Time Program-Public include \$1.0 million in General Revenue–Dedicated B-On-Time Account 5103, to support renewal awards for students attending public institutions of higher education, a decrease of \$17.2 million from 2018–19 biennial levels.
- Funding provides \$73.3 million in General Revenue Funds for Baylor College of Medicine Undergraduate Medical Education, a decrease of \$2.8 million from the 2018–19 biennial funding levels.
- Funding provides \$17.3 million in General Revenue Funds for Baylor College of Medicine Graduate Medical Education, an increase of \$1.8 million from the 2018–19 biennial funding levels.
- Funding represents a decrease of \$3.2 million in General Revenue Funds due to phase out of the Top Ten Percent Scholarship Program.
- Funding represents a decrease of \$5.0 million in General Revenue Funds due to the discontinuation of funding for Northeast Texas Initiative and the Texas Community College Consortium.
- Funds for the Texas Research Incentive Program, \$35.0 million, maintain the General Revenue funding levels from the 2018–19 biennium.
- Funding represents a \$5.5 million decrease in Federal Funds, primarily due the discontinuation of the Teacher Quality Grant Program.
- Funding represents an \$18.4 million decrease in Other Funds, primarily from aligning funding levels with projected distributions from certain tobacco funds.

HIGHER EDUCATION FUNDS

FIGURE 45
HIGHER EDUCATION FUNDS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$817.5	\$817.5	\$0.0	0.0%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$2,088.5	\$2,452.8	\$364.3	17.4%
Total, All Methods of Finance	\$2,906.0	\$3,270.3	\$364.3	12.5%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)



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

SOURCE: Legislative Budget Board.

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

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

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

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

HIGHLIGHTS

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

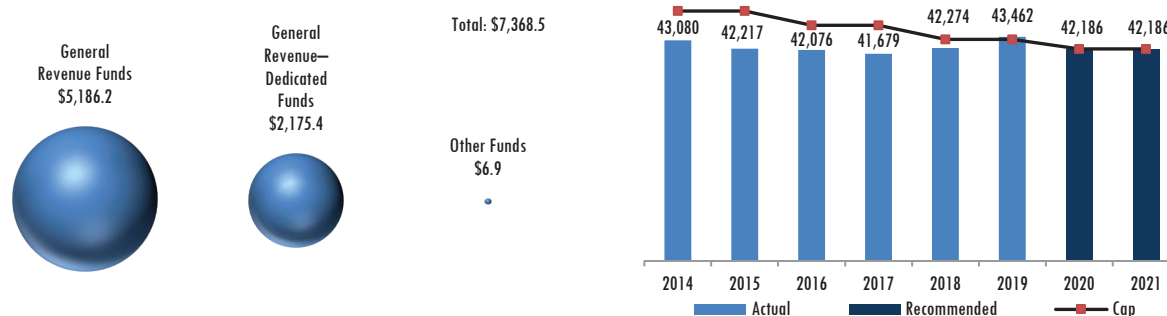
GENERAL ACADEMIC INSTITUTIONS

FIGURE 46
GENERAL ACADEMIC INSTITUTIONS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$5,007.7	\$5,186.2	\$178.4	3.6%
General Revenue–Dedicated Funds	\$2,214.3	\$2,175.4	(\$38.9)	(1.8%)
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$17.0	\$6.9	(\$10.1)	(59.4%)
Total, All Methods of Finance	\$7,239.1	\$7,368.5	\$129.4	1.8%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



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

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

Funding for the General Academic Institutions and University System Offices for the 2020–21 biennium totals \$7.4 billion in All Funds, a \$129.4 million, or 1.8 percent, decrease compared to the 2018–19 base. Included in this funding is \$5.2 billion in General Revenue Funds, which is a \$178.4 million, or 3.6 percent, increase compared to 2018–19 funding levels.

HIGHLIGHTS

- Funding includes \$3.6 billion in General Revenue Funds for the Instruction and Operations and the Infrastructure Support formulas, an increase of \$221.0 million from the 2018–19 biennium. Formula amounts for 2020–21 provide for an increase in the All Funds Instruction and Operations Formula rate from \$55.82 per weighted semester credit hour to \$57.42. Formula amounts for the Infrastructure Formula also increase the All Funds rate from \$5.41 per predicted square foot to \$5.57, and account for courses that are offered online. Small Institution Supplement funding increases by \$17.3 million over 2018–19 funding levels and maintains the 10,000 student threshold.
- Funding for the 2020–21 biennium includes \$125.2 million in General Revenue appropriations to The University of Texas at Austin and Texas A&M University through the Texas Research University Fund (TRUF). Appropriations to the TRUF are maintained at the 2018–19 funding level.
- Funding provides state support for the eight emerging research universities through: (1) \$35.0 million in General Revenue for the Texas Research Incentive Program (TRIP); and (2) \$105.4 million in General Revenue for the Core Research Support Fund (CRS). Appropriations for TRIP are made to the Texas Higher Education Coordinating Board and awarded to the institutions based on the receipt of private donations. Funding for CRS is appropriated directly to

the eight emerging research universities within their respective bill patterns. CRS funding in 2020–21 maintains the amounts provided in 2018–19.

- Funding also provides for \$12.8 million in General Revenue Funds for the Comprehensive Research Fund (CRF) to support research at General Academic Institutions, excluding The University of Texas at Austin, Texas A&M University, and the eight emerging research universities. CRF appropriations maintain 2018–19 funding levels.
- Non-formula support item funding totals \$400.1 million in General Revenue, a decrease of \$10.1 million from the 2018–19 biennium. Items categorized as Start-Up items that were first funded prior to 2020 are reduced by 10 percent. Items that generate formula funding are also reduced by 10 percent from 2018–19 funding levels. The Downward Expansion item at the University of Houston – Clear Lake was reduced by 50 percent from the 2016-17 funding levels.
- Funding includes \$696.0 million in General Revenue Funds for tuition revenue bond debt service for previously authorized projects.
- The Senate version of the supplemental bill includes \$40.8 million from the Economic Stabilization Fund for Hurricane Harvey related expenses at The University of Texas at Austin’s Marine Science Institute, University of Houston, University of Houston – Clear Lake, University of Houston – Downtown, and University of Houston – Victoria.

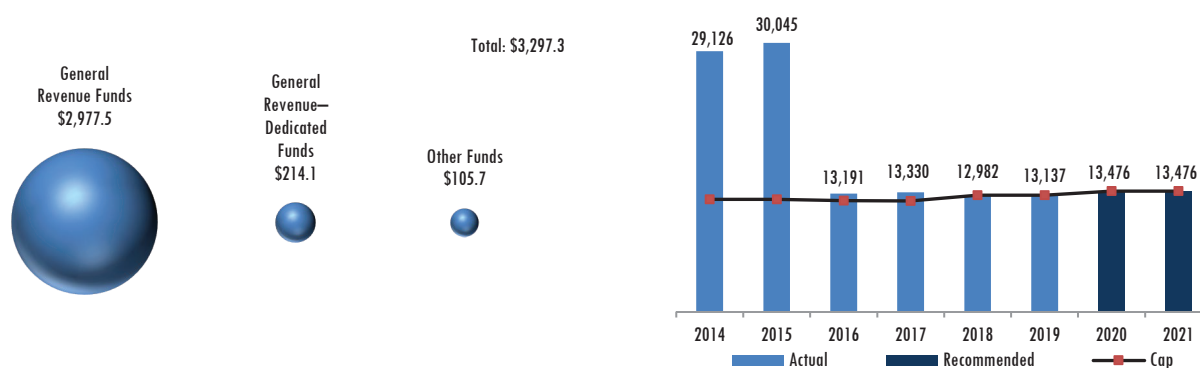
HEALTH RELATED INSTITUTIONS

FIGURE 47
HEALTH RELATED INSTITUTIONS, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$2,855.0	\$2,977.5	\$122.5	4.3%
General Revenue–Dedicated Funds	\$224.7	\$214.1	(\$10.6)	(4.7%)
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$176.2	\$105.7	(\$70.5)	(40.0%)
Total, All Methods of Finance	\$3,255.9	\$3,297.3	\$41.4	1.3%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



NOTES:

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

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

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

Funding for the health related institutions for the 2020–21 biennium totals \$3.3 billion in All Funds, an increase of \$41.4 million from the 2018–19 biennium. Of this funding, \$3.0 billion is composed of General Revenue Funds, an increase of \$122.5 million from the 2018–19 biennium. The increase in General Revenue Funds is due primarily to increased formula rates, to enrollment growth at the health related institutions, and to increased formula funding for the new medical schools at The University of Texas at Austin and The University of Texas Rio Grande Valley, which are now fully operational.

HIGHLIGHTS

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

Performance Based Research Operations formula, which is funded with \$21.8 million reallocated from Hold Harmless funds appropriated to the institution in the 2018–19 biennium, \$79.0 million reallocated from research non-formula support items, and \$13.4 million of new funding allocated by the formula for the 2020–21 biennium. Overall formula funding is an increase of \$223.0 million in General Revenue Funds, or 12.2 percent, from the 2018–19 biennium.

- Funding provides \$1.2 billion in General Revenue Funds for the I&O Support formula, an increase of \$70.0 million from the 2018–19 biennium. The 2020–21 formula amounts increase the I&O rate to \$9,692 per full-time student equivalent (FTSE) from \$9,431 in the 2018–19 biennium. The I&O formula includes \$40.1 million in General Revenue Funds for a small class supplement. The supplement provides additional funding for instructional programs with enrollments of fewer than 200 students at remote locations and for instructional programs at The University of Texas Health Science Center at Tyler’s main campus. Appropriations provide \$258.8 million in General Revenue Funds for the Infrastructure formula, an increase of \$8.7 million from the 2018–19 biennium. The 2020–21 formula amounts increase the Infrastructure rate to \$6.22 for all institutions from \$6.11 in the 2018–19 biennium.
- Funding at the Higher Education Coordinating Board includes \$73.3 million in General Revenue Funds for Baylor College of Medicine Undergraduate Medical Education, a decrease of \$2.8 million from the 2018–19 biennium.
- Funding provides \$84.5 million in General Revenue Funds for the Research Enhancement formula, an increase of \$3.9 million from the 2018–19 biennium. The 2020–21 formula amounts increase the annual Research Enhancement rate to 1.22 percent plus the base rate of \$1.4 million from 1.16 percent plus the base rate in the 2018–19 biennium.
- Funding provides \$98.5 million in General Revenue Funds appropriated to health related institutions and Baylor College of Medicine for the GME formula, an increase of \$8.4 million from the 2018–19 biennium. The 2020–21 formula amounts increase the annual GME rate to \$6,992 per medical resident from \$5,824 in the 2018–19 biennium.
- Funding provides \$280.8 million in General Revenue Funds for the Cancer Center Operations formula for The University of Texas M.D. Anderson Cancer Center, an increase of \$16.0 million, or 6.1 percent, from the 2018–19 biennium. The 2020–21 formula amounts for the Cancer Center Operations formula increase the annual rate to \$1,697 per Texas cancer patient from \$1,650 in the 2018–19 biennium, due to the growth limitation in Special Provisions. Funding provides \$62.1 million in General Revenue Funds for the Chest Disease Center Operations formula for The University of Texas Health Science Center at Tyler, an increase of \$3.7 million, or 6.4 percent, from the 2018–19 biennium. The 2020–21 formula amounts for the Chest Disease Center Operations formula increase the annual rate to \$189 per Texas chest disease patient from \$187 in the 2018–19 biennium.
- Funding for non-formula support items totals \$319.4 million in All Funds, a decrease of \$78.2 million from the 2018–19 biennium. The decrease is due to the reallocation of \$79.0 million of UT Southwestern Medical Center’s research non-formula support items to the Performance Based Research Operations Formula, offset by \$750,000 in non-formula support item funding at The University of Texas Rio Grande Valley School of Medicine for the Cervical Dysplasia and Cancer Immunology Center due to the transfer of the clinic from The University of Texas Medical Branch at Galveston.
- Funding provides \$292.2 million in General Revenue Funds for tuition revenue bond debt service, a decrease of \$0.5 million from the 2018–19 biennium. The decrease is due to incremental decreases in tuition revenue bond debt service obligations.

PUBLIC COMMUNITY AND JUNIOR COLLEGES

FIGURE 48
PUBLIC COMMUNITY AND JUNIOR COLLEGES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	2020–21	CHANGE	CHANGE
General Revenue Funds	\$1,794.5	\$1,854.5	\$59.9	3.3%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$0.0	\$0.0	\$0.0	N/A
Total, All Methods of Finance	\$1,794.5	\$1,854.5	\$59.9	3.3%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)



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

SOURCE: Legislative Budget Board.

Funding for the Public Community/Junior Colleges for the 2020–21 biennium totals \$1.85 billion in General Revenue Funds, an increase of \$59.9 million from 2018–19 biennial levels.

HIGHLIGHTS

- Formula funding totals \$1.82 billion for the biennium, an increase of \$59.4 million from the 2018–19 biennium. Formula funding amounts maintain core operations funding at \$1.4 million for each community college district, maintain the contact hour rate of \$2.70, and increase the success point rate to \$204.46.
- Formula funding includes the modification of three metrics in the success point formula, as follows:
 - Increases points awarded for each student that transfers from the Community College to a General Academic Institution from 2 to 2.75;
 - Reduces points awarded for each student that receives a degree or certificate from the Community College in a field other than a critical field from 2 to 1.2; and
 - Increases points awarded for each student that receives a degree or certificate from the Community College in a critical field from 2.25 to 3.
- A new rider changes the designation of the following degree types from a non-critical field to a critical field in the success point formula:
 - Nuclear and Industrial Radiologic Technology

- Physical Science Technology
- Heavy/Industrial Equipment Maintenance Technologies
- Funding for Bachelor of Applied Technology programs total \$3.3 million for the 2020–21 biennium, an increase of \$0.5 million from the 2018–19 biennium due to a 16.3 percent increase in semester credit hours in these programs and an increase in the Instructions & Operations General Revenue Funds rate used by the general academic institutions.
- Funding for non-formula support items is maintained at \$27.1 million in General Revenue from the 2018–19 biennium.
- The Senate version of the supplemental bill appropriates \$13.1 million from the economic stabilization fund to the Lone Star College System for expenses related to Hurricane Harvey.
- No information on full-time-equivalent positions (FTEs) is included because FTEs are not appropriated for the Public Community/Junior Colleges.

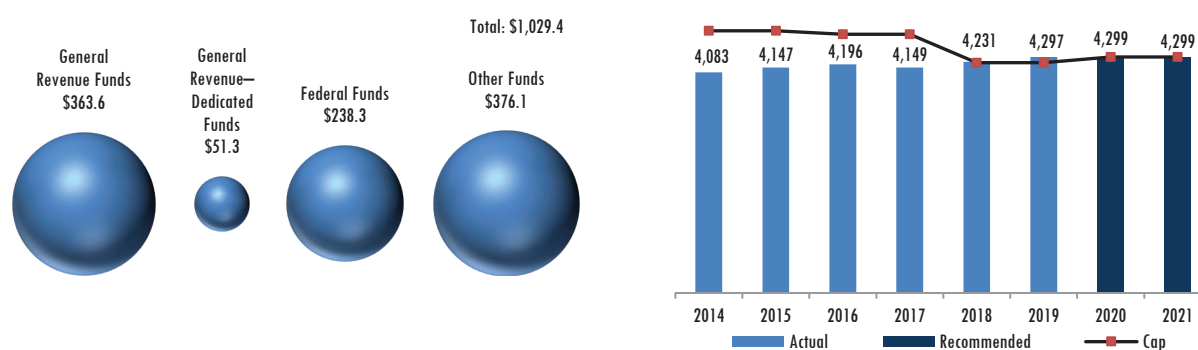
TEXAS A&M SYSTEM AGENCIES

FIGURE 49
TEXAS A&M SYSTEM AGENCIES, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$355.1	\$363.6	\$8.6	2.4%
General Revenue–Dedicated Funds	\$53.3	\$51.3	(\$2.0)	(3.8%)
Federal Funds	\$222.3	\$238.3	\$16.0	7.2%
Other Funds	\$394.4	\$376.1	(\$18.2)	(4.6%)
Total, All Methods of Finance	\$1,025.1	\$1,029.4	\$4.3	0.4%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



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

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

Funding for the Texas A&M University System agencies for the 2020–21 biennium totals \$1.0 billion in All Funds, an increase of \$4.3 million from the 2018–19 biennium. Of this funding, \$414.9 million is composed of General Revenue Funds and General Revenue–Dedicated Funds, an increase of \$6.6 million from the 2018–19 biennium. Texas A&M Veterinary Medical Diagnostic Laboratory is under Strategic Fiscal Review.

HIGHLIGHTS

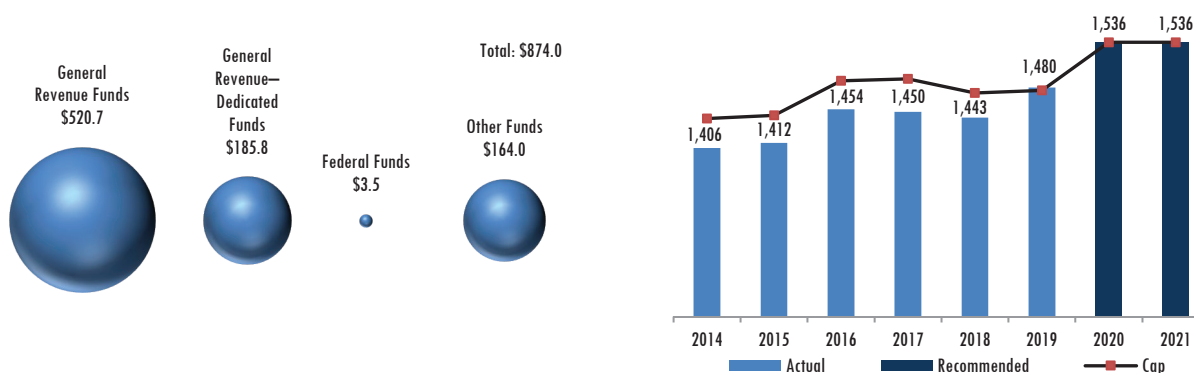
- The Texas A&M System agencies are state agencies in the Texas A&M University System with a broad statewide mission encompassing research, teaching, and public service. These agencies include: Texas A&M AgriLife Research (TAR), Texas A&M AgriLife Extension Service (Extension), Texas A&M Forest Service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

- TEEX provides workforce training programs and technical assistance for first responders to enhance public safety and security (e.g., fire protection, law enforcement, water/wastewater, public works, environmental quality, etc.). TEEX also provides emergency response, search, and rescue operations statewide through Texas Task Force 1 and 2.
- TTI identifies and solves transportation problems through research and testing. TTI also develops and implements new technologies for current and future transportation needs, and works closely with the Texas Department of Transportation.
- TFS provides wildfire prevention, detection, and suppression service and administers the statewide Texas Wildfire Protection Plan. TFS also assists during all-hazard emergencies such as flooding, ice storms, tornados, and hurricanes. TFS is involved in reforestation efforts and urban forestry programs, and conducts applied research on forest insects and diseases.
- Funding for TFS includes a \$2.0 million decrease in General Revenue-Dedicated Funds and \$2.0 million increase in General Revenue Funds due to a Method of Finance swap between the Insurance Companies Maintenance Tax and Insurance Department Fees Account No. 8042 (General Revenue) and Volunteer Fire Department Assistance Account No. 5064 (General Revenue-Dedicated). These funds are used for Texas Intrastate Fire Mutual Aid System grants.
- The Senate version of the supplemental bill includes \$57.4 million from the Economic Stabilization Fund. Of this amount, \$2.5 million is to reimburse costs related to the emergency response during Hurricane Harvey and \$54.9 million is to reimburse costs related to wildfire responses throughout the state.
- Funding for Extension includes a \$2.0 million decrease in Other Funds due to the termination of the Northern Bobwhite Quail Interagency Contract with the Texas Parks and Wildlife Department.
- Funding for TEES includes an increase in \$5.0 million in General Revenue for Cybersecurity Training and Workforce Development in Emerging Technologies.
- Funding for TVMDL includes an increase of \$1.2 million in General Revenue to support the Poultry Laboratories in Center and Gonzales.
- Funding for all seven agencies includes infrastructure support inside Brazos County that aligns with the General Academic Institutions' Infrastructure Formula rate.

ARTICLE IV – JUDICIARY

FIGURE 50
ARTICLE IV – JUDICIARY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$490.8	\$520.7	\$30.0	6.1%
General Revenue–Dedicated Funds	\$141.1	\$185.8	\$44.7	31.7%
Federal Funds	\$4.0	\$3.5	(\$0.5)	(12.4%)
Other Funds	\$221.2	\$164.0	(\$57.2)	(25.9%)
Total, All Methods of Finance	\$857.1	\$874.0	\$17.0	2.0%
ALL FUNDS, 2020–21 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.

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE IV

All Funds for the Judiciary agencies total \$874.0 million for the 2020–21 biennium, which is an increase of \$17.0 million, or 2.0 percent, from the 2018–19 biennium. General Revenue Funds total \$520.7 million, which is an increase of \$30.0 million, or 6.1 percent from the 2018–19 biennium. General Revenue-Dedicated Funds total \$185.8 million, which is an increase of \$44.7 million, or 31.7 percent from the 2018–19 biennium. The General Revenue increase is primarily due to additional funding being provided for the Supreme Court of Texas' basic civil legal services program to offset a one-time decrease in Other Funds due to civil penalties awarded to the State during the 2018–19 no longer being available.

Appropriations for the Judiciary support administration of the Texas court system. This includes the operations of 16 appellate courts and 76 children's courts, district judge salaries and county-level judge salary supplements, the judicial retirement system, prosecutor salaries and payments, judicial branch service agencies, indigent defense, basic civil legal services, juror pay, and judicial education.

HIGHLIGHTS

- Funding provides \$29.7 million in All Funds for the 2020–21 biennium, to create a statewide case management system to provide magistrates, primarily in counties with a population of 20,000 or less, immediate access to critical information. This includes \$17.9 million in General Revenue and \$11.8 million in General Revenue-Dedicated Statewide Electronic Filing System Account No. 5157 funding.

- Funding provides \$222.0 million in All Funds, an increase of \$1.3 million, for judicial salaries. The increase is primarily due to biennializing funding for new statutory county courts and new district courts.
- Funding provides \$84.4 million in All Funds, an increase of \$25.5 million from 2018–19 levels, for the Texas Indigent Defense Commission to assist counties in establishing, developing, and maintaining cost-effective indigent defense services. Increases in funding are primarily due to an additional 9.5 percent of court cost revenues being allocated to the General Revenue-Dedicated funding each fiscal year in compliance with a Texas Court of Criminal Appeals decision.
- Funding provides an estimated \$69.4 million in All Funds, a net decrease of \$39.2 million from 2018–19 levels, for the Supreme Court of Texas to provide basic civil legal services to eligible recipients. This includes a General Revenue increase of \$16.3 million to return General Revenue funding for the program to 2016–17 spending levels and a \$55.6 million decrease in Judicial Fund 573 (Other Funds) due to one-time civil penalties awarded to the State during the 2018–19 no longer being available.
- Funding provides an estimated \$60.5 million in General Revenue–Dedicated Funds from Account No. 5157, Statewide Electronic Filing System, an increase of \$15.8 million, to fulfill Statewide Electronic Filing System vendor contract payments; support the operation and maintenance of the statewide electronic filing system; create a statewide case management system; and, contingent on the enactment of legislation, establish and maintain a central, computerized, and Internet-based registry for protective orders.
- Funding provides an estimated \$27.4 million in General Revenue–Dedicated funds, an increase of \$3.5 million from 2018–19 levels, to the Court of Criminal Appeals for its Judicial Education grant program for the purpose of continuing legal education and technical assistance of judges, court staff, prosecuting attorneys and their staff, criminal defense attorneys that regularly represent indigent defendants in criminal matters, and provides innocence training.
- Funding provides \$12.6 million in General Revenue, an increase of \$3.3 million, for 33 Child Protection Courts. The funding provides nine additional courts in area with large caseloads to promote faster case resolution.

Figure 51 shows the All Funds appropriation for each agency in Article IV, and **Figure 52** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for the Office of Court Administration, Texas Judicial Council.

FIGURE 51
ARTICLE IV – JUDICIARY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
FUNCTION	2018–19	2020–21	CHANGE	CHANGE
Supreme Court of Texas	\$127.4	\$87.9	(\$39.4)	(31.0%)
Court of Criminal Appeals	\$37.4	\$41.0	\$3.6	9.5%
First Court of Appeals District, Houston	\$9.4	\$9.4	\$0.0	0.0%
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	0.0%
Fourth Court of Appeals District, San Antonio	\$7.3	\$7.3	(\$0.0)	(0.1%)
Fifth Court of Appeals District, Dallas	\$13.0	\$13.0	\$0.0	0.0%
Sixth Court of Appeals District, Texarkana	\$3.3	\$3.3	(\$0.0)	(0.0%)
Seventh Court of Appeals District, Amarillo	\$4.1	\$4.1	(\$0.0)	(0.0%)
Eighth Court of Appeals District, El Paso	\$3.4	\$3.4	\$0.0	0.0%
Ninth Court of Appeals District, Beaumont	\$4.1	\$4.1	\$0.0	0.0%
Tenth Court of Appeals District, Waco	\$3.4	\$3.3	(\$0.1)	(3.1%)
Eleventh Court of Appeals District, Eastland	\$3.3	\$3.3	\$0.0	0.6%
Twelfth Court of Appeals District, Tyler	\$3.3	\$3.3	\$0.0	0.0%
Thirteenth Court of Appeals District, Corpus Christi-Edinburg	\$6.1	\$6.1	\$0.0	0.0%
Fourteenth Court of Appeals District, Houston	\$9.7	\$9.7	\$0.0	0.0%
Office of Court Administration, Texas Judicial Council	\$155.3	\$208.3	\$53.0	34.1%
Office of Capital and Forensic Writs	\$2.7	\$2.8	\$0.1	3.6%
Office of the State Prosecuting Attorney	\$0.9	\$0.9	\$0.0	0.4%
State Law Library	\$2.1	\$2.0	(\$0.0)	(0.9%)
State Commission on Judicial Conduct	\$2.3	\$2.4	\$0.1	4.2%
Judiciary Section, Comptroller's Department	\$315.3	\$316.4	\$1.0	0.3%
Subtotal, Judiciary	\$727.2	\$745.4	\$18.2	2.5%
Employee Benefits and Debt Service	\$151.8	\$149.9	(\$1.9)	(1.3%)
Less Interagency Contracts	\$21.9	\$21.2	(\$0.7)	(3.0%)
Total, All Functions	\$857.1	\$874.0	\$17.0	2.0%

NOTES:

(1) Excludes interagency contracts.

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

SOURCE: Legislative Budget Board.

FIGURE 52
ARTICLE IV – JUDICIARY, GENERAL REVENUE FUNDS

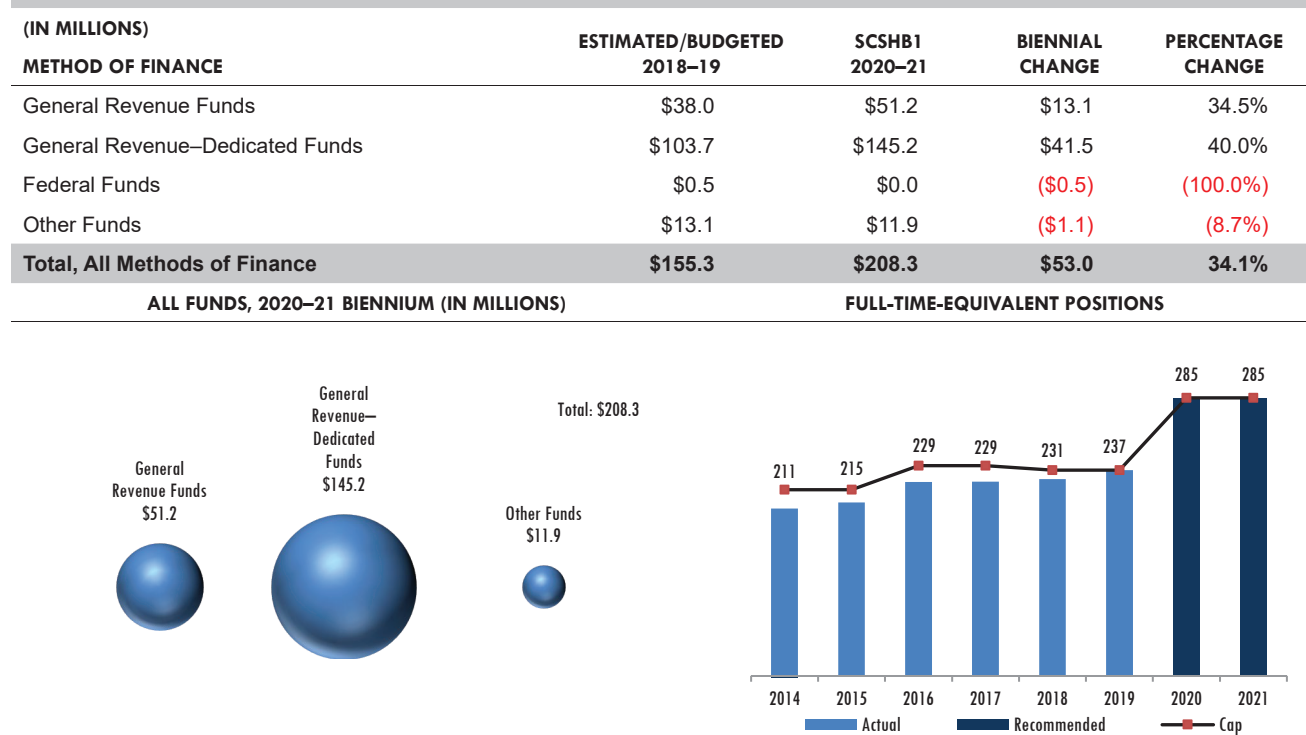
(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
FUNCTION	2018–19	2020–21	CHANGE	CHANGE
Supreme Court of Texas	\$17.7	\$34.2	\$16.5	93.3%
Court of Criminal Appeals	\$12.8	\$13.3	\$0.4	3.4%
First Court of Appeals District, Houston	\$8.8	\$8.8	\$0.0	0.0%
Second Court of Appeals District, Fort 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	\$3.1	(\$0.1)	(3.1%)
Eleventh Court of Appeals District, Eastland	\$3.1	\$3.1	\$0.0	0.0%
Twelfth Court of Appeals District, Tyler	\$3.1	\$3.1	\$0.0	0.0%
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	\$38.0	\$51.2	\$13.1	34.5%
Office of Capital and Forensic 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	\$2.0	\$2.0	\$0.0	1.6%
State Commission on Judicial Conduct	\$2.3	\$2.4	\$0.1	4.2%
Judiciary Section, Comptroller's Department	\$200.9	\$202.7	\$1.8	0.9%
Subtotal, Judiciary	\$352.4	\$384.2	\$31.9	9.0%
Employee Benefits and Debt Service	\$138.4	\$136.5	(\$1.9)	(1.4%)
Total, All Functions	\$490.8	\$520.7	\$30.0	6.1%

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

SOURCE: Legislative Budget Board.

OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL

FIGURE 53
OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL, BY METHOD OF FINANCE



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

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

All Funds for the Office of Court Administration, Texas Judicial Council for the 2020–21 biennium total \$208.3 million, which is an increase of \$53.0 million, or 34.1 percent, from the 2018–19 biennium. General Revenue Funds total \$51.2 million, which is an increase of \$13.1 million, or 34.5 percent from the 2018–19 biennium. General Revenue–Dedicated Funds total \$145.2 million, which is an increase of \$41.5 million, or 40 percent from the 2018–19 biennium. The Office of Court Administration, Texas Judicial Council is under Strategic Fiscal Review.

HIGHLIGHTS

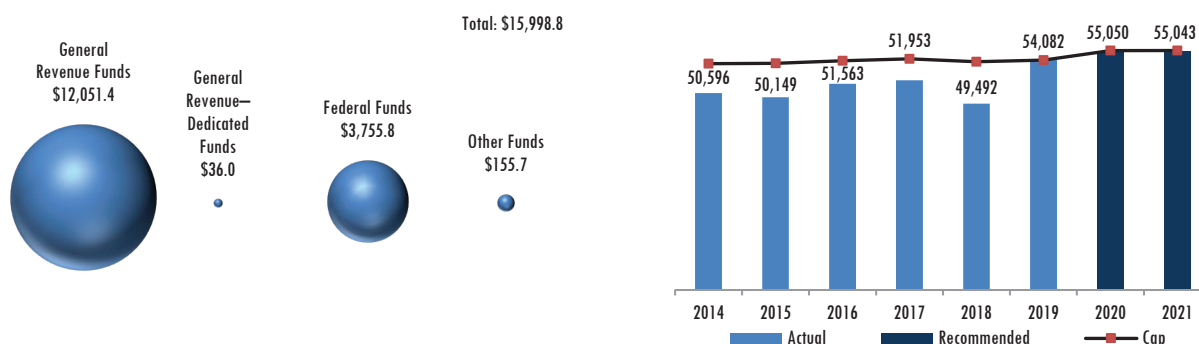
- Funding provides \$84.4 million in General Revenue–Dedicated Account No. 5073, Fair Defense (Fair Defense Account) funding for the Texas Indigent Defense Commission, an increase of \$25.5 million. This funding replaces \$7.5 million in General Revenue Funds and provides an additional \$18.0 million for financial and technical support through discretionary grants to counties to develop and maintain indigent defense systems that meet the needs of local communities and comply with the constitution and state law. Increases in funding are due primarily to an additional 9.5 percent of court cost revenues being allocated to the Fair Defense Account each fiscal year in compliance with a Texas Court of Criminal Appeals decision.
- Funding provides \$29.7 in All Funds for the 2020–21 biennium, to create a statewide case management system to provide magistrates, primarily in counties with a population of 20,000 or less, immediate access to critical information. This includes \$17.9 million in General Revenue Funds and \$11.8 million in General Revenue–Dedicated Funds from Account No. 5157, Statewide Electronic Filing System (Account No. 5157).

- Funding provides \$12.6 million in General Revenue, an increase of \$3.3 million, for 33 Child Protection Courts. The funding provides nine additional courts in area with large caseloads to promote faster case resolution.
- Funding provides an estimated \$48.3 million in General Revenue–Dedicated Funds from Account No. 5157 to fulfill Statewide Electronic Filing System vendor contract payments.
- Funding provides \$5.0 million in General Revenue Funds, an increase of \$4.3 million, to provide a Guardianship Compliance Program to assist local courts with reviewing and auditing guardianship filings for elderly and incapacitated persons.
- Funding provides \$0.4 million in General Revenue–Dedicated Funds from Account No. 5157, contingent on the enactment of Senate Bill 325, to establish and maintain a central, computerized, and Internet-based registry for protective orders.

ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE

FIGURE 54
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$11,322.1	\$12,051.4	\$729.2	6.4%
General Revenue–Dedicated Funds	\$42.0	\$36.0	(\$6.0)	(14.3%)
Federal Funds	\$6,748.5	\$3,755.8	(\$2,992.8)	(44.3%)
Other Funds	\$265.9	\$155.7	(\$110.2)	(41.4%)
Total, All Methods of Finance	\$18,378.5	\$15,998.8	(\$2,379.7)	(12.9%)
ALL FUNDS, 2020–21 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.

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE V

All Funds for the Public Safety and Criminal Justice agencies for the 2020–21 biennium total \$16.0 billion, which represents a decrease of \$2.4 billion or 12.9 percent from the 2018–19 biennium. All Funds decreases are primarily the result of Federal Funds provided for Hurricane Harvey emergency assistance and funding from the Economic Stabilization Fund for onetime deferred maintenance in the 2018–19 biennium.

General Revenue Funds and General Revenue–Dedicated Funds for the 2020–21 biennium total \$12.1 billion, which represents a \$723.2 million increase, or 6.4 percent from the 2018–19 biennium. General Revenue Fund increases are primarily the result additional funding for crime labs, human trafficking investigation, and driver license services at the Department of Public Safety, and correctional officer and parole officer salary increases and Correctional Managed Health Care increases at the Department of Criminal Justice.

HIGHLIGHTS

- Funding for the Department of Public Safety for the 2020–21 biennium totals \$5.8 billion in All Funds, which represents an All Funds decrease of \$2.9 billion, or 32.8 percent, primarily the result of onetime Federal Funds received in the 2018–19 biennium for Hurricane Harvey response and recovery. General Revenue Funds to DPS totals \$2.2 billion, a \$307.6 million increase including:

- \$192.7 million for Driver License Services to reclassify Customer Service Representatives to Permit Specialists and add 762.0 full-time-equivalent (FTE) positions to staff all available work stations at current driver license offices;
- \$690.0 million in General Revenue Funds and General Revenue–Dedicated Funds and \$6.0 million in Criminal Justice Grants for the 2020–21 biennium for border security, including \$435.2 million in the agency’s bill pattern in Goal B, Secure Texas, and an additional \$260.8 million in other agency goals. This amount is a \$1.7 million increase from the 2018–19 biennial expenditure levels. This funding maintains support for Department of Public Safety (DPS) personnel at fiscal year 2019 full deployment levels, and eliminates funding for onetime and transitional expenditures;
- \$49.8 million and 122.0 noncommissioned FTE positions for DPS Crime labs to add a second analyst shift to increase lab capacity and reduce backlogs and includes capital and technology equipment, prioritization of sexual assault kit testing, and restoration of General Revenue funding to DPS Crime Labs; and
- \$60.2 million and 204.7 FTE positions for human trafficking and antigang activities.
- Funding for the Department of Criminal Justice for the 2020–21 biennium totals \$6.9 billion in All Funds, which represents an All Funds increase of \$311.4 million and includes:
 - \$160.0 million to fully fund Correctional Managed Health Care 2018–19 biennial expenditure levels;
 - \$85.6 million for a 5.0 percent salary increase for correctional and parole officers;
 - \$38.6 million for a transfer reimbursement for Hurricane Harvey relief;
 - 24.2 million increase for upgrades to the corrections information technology system;
 - \$10.0 million for video surveillance cameras; and
 - \$10.1 million decrease for deferred maintenance projects.
- Funding for the Juvenile Justice Department for the 2020–21 biennium totals \$641.6 million in All Funds, which represents an All Funds decrease of \$19.8 million. The decrease is composed primarily of a \$12.0 million decrease in onetime funding from the Economic Stabilization Fund for deferred maintenance, a \$7.0 million decrease for onetime information technology and cybersecurity improvements, a \$2.7 million decrease to align with juvenile population projections, offset by a \$5.3 million increase for a 5.0 percent salary increase for juvenile correctional officers and other direct care staff.
- Funding for the Alcoholic Beverage Commission for the 2020–21 biennium totals \$116.5 million in All Funds, which includes an All Funds increase of \$17.0 million. The increase is primarily the result of a \$12.1 million increase for 64 additional enforcement agents, including funding for human trafficking investigation, a \$7.4 million increase for licensing and tax collection technology updates and replacements, and a \$1.6 million decrease for Governor’s Emergency and Deficiency Grants for Hurricane Harvey assistance.
- In addition to 2020–21 appropriations, the Senate version of the supplemental appropriations bill includes:
 - \$160.0 million to address a shortfall in Correctional Managed Health Care;
 - \$30.0 million to fund correctional officer overtime in the 2018–19 biennium; and
 - \$97.0 million to reimburse the Department of Public Safety for expenditures related to Hurricane Harvey.

Figure 55 shows the All Funds appropriation for each agency in Article V, and **Figure 56** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for some of the agencies in Article V.

FIGURE 55
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE BY AGENCY, ALL FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
FUNCTION				
Alcoholic Beverage Commission	\$99.5	\$116.5	\$17.0	17.1%
Department of Criminal Justice	\$6,606.3	\$6,917.7	\$311.4	4.7%
Commission on Fire Protection	\$3.9	\$4.0	\$0.0	0.2%
Commission on Jail Standards	\$3.7	\$3.0	(\$0.7)	(18.7%)
Juvenile Justice Department	\$661.1	\$641.3	(\$19.8)	(3.0%)
Commission on Law Enforcement	\$7.9	\$8.1	\$0.2	2.1%
Military Department	\$222.9	\$189.6	(\$33.3)	(14.9%)
Department of Public Safety	\$8,684.9	\$5,832.9	(\$2,852.1)	(32.8%)
Subtotal, Public Safety and Criminal Justice	\$16,290.3	\$13,713.1	(\$2,577.2)	(15.8%)
Employee Benefits and Debt Service	\$2,405.7	\$2,441.5	\$35.8	1.5%
Less Interagency Contracts	\$317.5	\$155.8	(\$161.7)	(50.9%)
Total, All Functions	\$18,378.5	\$15,998.8	(\$2,379.7)	(12.9%)

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 56
ARTICLE V – PUBLIC SAFETY AND CRIMINAL JUSTICE BY AGENCY, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
FUNCTION				
Alcoholic Beverage Commission	\$96.2	\$115.3	\$19.1	19.8%
Department of Criminal Justice	\$6,386.4	\$6,748.1	\$361.6	5.7%
Commission on Fire Protection	\$3.8	\$3.8	\$0.0	0.0%
Commission on Jail Standards	\$2.7	\$3.0	\$0.3	11.6%
Juvenile Justice Department	\$605.2	\$598.8	(\$6.4)	(1.1%)
Commission on Law Enforcement	\$0.0	\$0.0	\$0.0	N/A
Military Department	\$30.4	\$40.5	\$10.1	33.4%
Department of Public Safety	\$1,843.3	\$2,150.9	\$307.6	16.7%
Subtotal, Public Safety and Criminal Justice	\$8,968.0	\$9,660.3	\$692.3	7.7%
Employee Benefits and Debt Service	\$2,354.1	\$2,391.0	\$36.9	1.6%
Total, All Functions	\$11,322.1	\$12,051.4	\$729.2	6.4%

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

SOURCE: Legislative Budget Board.

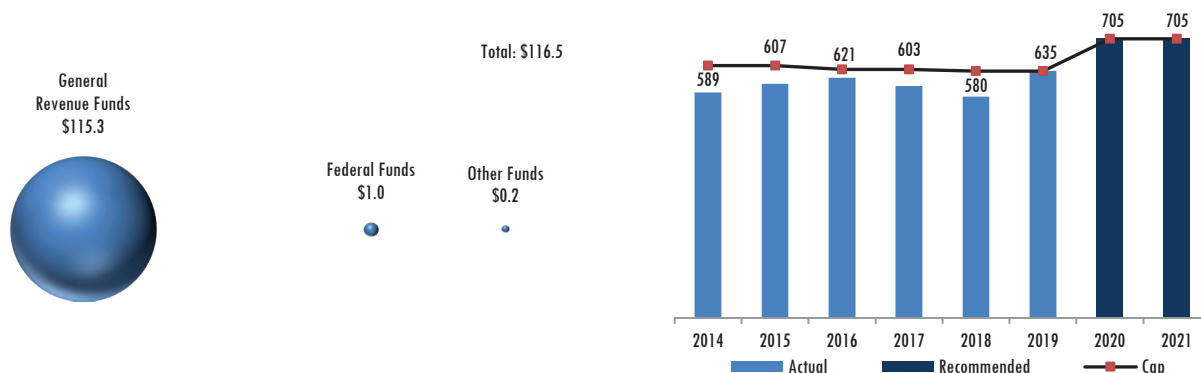
TEXAS ALCOHOLIC BEVERAGE COMMISSION

FIGURE 57
TEXAS ALCOHOLIC BEVERAGE COMMISSION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	2020–21	CHANGE	CHANGE
General Revenue Funds	\$96.2	\$115.3	\$19.1	19.8%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$1.1	\$1.0	(\$0.1)	(7.7%)
Other Funds	\$2.2	\$0.2	(\$2.0)	(90.5%)
Total, All Methods of Finance	\$99.5	\$116.5	\$17.0	17.1%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



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

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

Funding for the Alcoholic Beverage Commission (TABC) for the 2020–21 biennium totals \$116.5 million in All Funds, which includes an All Funds increase of \$17.0 million or 17.1 percent. The increase in funding is primarily the result of additional funding for law enforcement, including human trafficking investigations and updating the agency's licensing and tax collection system. TABC is under Strategic Fiscal Review.

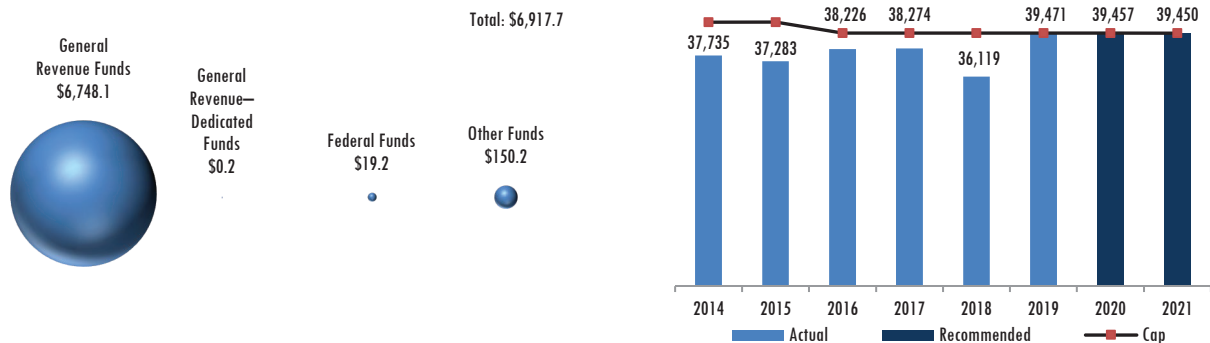
HIGHLIGHTS

- Funding includes \$63.6 million in All Funds for Public Safety and Enforcement, which includes a \$12.1 million increase for 64 additional enforcement agents and a \$1.6 million decrease for Governor's Emergency and Deficiency Grants (Other Funds) for Hurricane Harvey assistance.
- Funding includes a \$7.4 million General Revenue Funds increase for licensing and tax collection technology updates and replacements.
- Funding includes a \$0.3 million General Revenue Funds decrease for Department of Information Resources' Data Center Services estimates. Funding also includes a \$0.1 million decrease in General Revenue Funds for one-time Centralized Accounting and Payroll Personnel System (CAPPs) funding, but maintains the 2.0 FTEs associated with CAPPs.
- Funding includes a \$0.1 million agency anticipated decrease in Federal Funds and a \$0.3 million agency anticipated decrease in Appropriated Receipts.

DEPARTMENT OF CRIMINAL JUSTICE

FIGURE 58
DEPARTMENT OF CRIMINAL JUSTICE, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$6,386.4	\$6,748.1	\$361.6	5.7%
General Revenue–Dedicated Funds	\$5.3	\$0.2	(\$5.1)	(95.6%)
Federal Funds	\$20.5	\$19.2	(\$1.3)	(6.4%)
Other Funds	\$194.0	\$150.2	(\$43.8)	(22.6%)
Total, All Methods of Finance	\$6,606.3	\$6,917.7	\$311.4	4.7%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



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

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

Funding for the Department of Criminal Justice (TDCJ) for the 2020–21 biennium totals \$6.9 billion in All Funds, which includes an All Funds increase of \$311.4 million or 4.7 percent. Funding for the Board of Pardons and Paroles is included within the appropriations for the Department of Criminal Justice.

HIGHLIGHTS

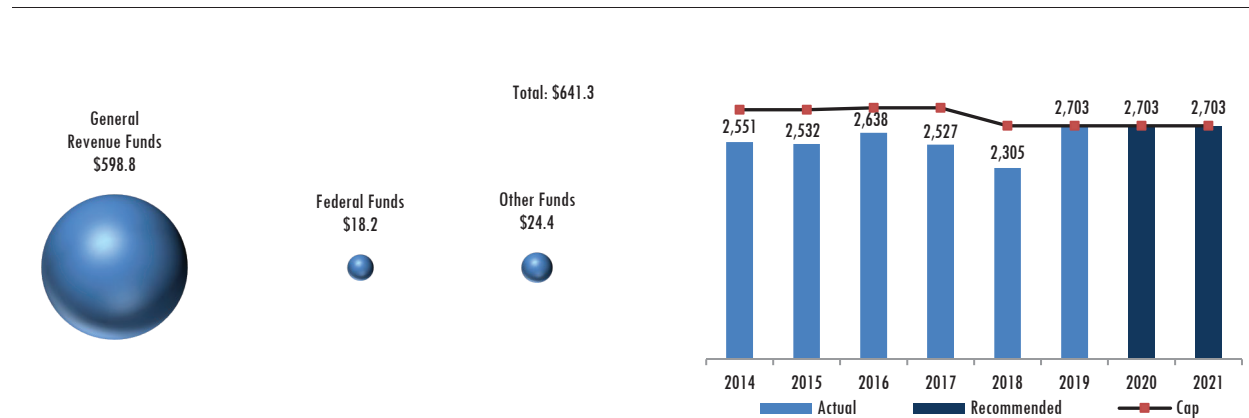
- Funding includes \$5.7 billion in All Funds for the incarceration and treatment of adult offenders in state correctional institutions, which represents a \$289.8 million All Funds increase from the 2018–19 biennium. Significant funding shifts within the net increase include:
 - \$76.7 million for a 5.0 percent Correctional Officer salary increase;
 - \$10.0 million increase for video surveillance cameras;
 - \$2.6 million increase for educational and vocational pilot programs; and
 - \$2.0 million increase to expand vocational training programs.
- Funding includes \$1.3 billion in All Funds for Correctional Managed Health Care (CMHC), which represents a \$160.8 million increase from the 2018–19 base funding level. CMHC provides medical, dental, nursing, pharmacy, hospital, and mental health services to offenders incarcerated in TDCJ facilities, including:
 - \$160.0 million increase to fully fund 2018–19 biennial expenditure levels;

- \$2.0 million increase for CMHC capital equipment;
- \$2.0 million decrease for a one-time sheltered housing project to expand unit infirmary capacity, and
- \$0.7 million increase to fund the extension of medical prescriptions to 30 days for offenders released from a TDCJ facility.
- Funding includes \$29.9 million for deferred maintenance, which represents a \$10.1 million decrease in All Funds from the 2018–19 biennium, and a \$24.2 million increase for upgrades to the corrections information technology system.
- Funding includes \$495.4 million in All Funds for the supervision of adult offenders on community supervision or probation, which represents a \$0.8 million increase to fund basic supervision at 2020–21 biennial Legislative Budget Board (LBB)-projected levels, including:
 - \$4.0 million increase for pretrial diversion grants; and
 - \$3.2 million decrease to fund basic supervision at LBB-projected levels for the 2020–21 biennium.
- Funding includes \$426.2 million in All Funds for the Board of Pardons and Paroles, parole processing, parole supervision, and residential facilities, which represents an All Funds increase of \$3.5 million from the 2018–19 biennium. The net funding increase includes:
 - \$5.7 million decrease to fund parole supervision at LBB-projected levels for the 2020–21 biennium; and
 - \$8.9 million for a 5 percent salary increase for Parole, Hearing, and Institutional Parole Officers;
 - \$0.5 million increase to relocate two Board and Institutional Parole Offices; and
- Projected felony direct community supervision populations are 155,056 for fiscal year 2020 and 155,001 for fiscal year 2021. Projected incarceration populations are 145,553 for fiscal year 2020 and 145,966 for fiscal year 2021. Projected parole populations are 84,690 for fiscal year 2020 and 85,091 for fiscal year 2021.
- The Senate version of the supplemental appropriations bill includes \$160.0 million to fully fund 2018–19 biennial CMHC expenditures and \$30.0 million for correctional officer overtime in the 2018–19 biennium in General Revenue Funds. The bill also includes \$38.6 million from the Economic Stabilization Fund for transfers from TDCJ to address Hurricane Harvey Recovery in the 2018–19 biennium.

JUVENILE JUSTICE DEPARTMENT

FIGURE 59
JUVENILE JUSTICE DEPARTMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$605.2	\$598.8	(\$6.4)	(1.1%)
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$18.6	\$18.2	(\$0.4)	(2.1%)
Other Funds	\$37.4	\$24.4	(\$13.0)	(34.7%)
Total, All Methods of Finance	\$661.1	\$641.3	(\$19.8)	(3.0%)



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

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

Funding for the Juvenile Justice Department (TJJD) for the 2020–21 biennium totals \$641.3 million in All Funds, which represents an All Funds decrease of \$19.8 million, or 3.0 percent. Included in the All Funds decrease is a General Revenue Funds decrease of \$6.4 million, an estimated Federal Funds decrease of \$0.4 million, and an Other Funds decrease of \$13.0 million. The All Funds decrease is primarily attributable to the reduction of one-time capital funding for information technology infrastructure, cybersecurity improvements, and deferred maintenance, and a reduction for funding projected populations.

HIGHLIGHTS

- Funding for the 2020–21 biennium includes a \$2.7 million General Revenue Funds decrease across the following five areas of juvenile corrections to align funds with juvenile population projections:
 - probation basic supervision – \$1.9 million increase for supervision of juvenile offenders in local communities;
 - state-operated secure facilities – \$5.9 million decrease for supervision, food, and basic needs of juvenile offenders in secure state facilities;
 - halfway houses – \$0.3 million decrease for supervision, food, and basic needs of juvenile offenders in halfway houses;
 - contract residential placements – \$1.6 million increase for juvenile offenders placed in contract residential facilities; and
 - parole supervision – \$31,580 increase for basic supervision of juvenile parole offenders.

- Projections for juvenile populations are as follows:
 - projected state residential populations are 1,209 for fiscal year 2020 and 1,268 for fiscal year 2021. This population includes juveniles housed in state secure facilities, halfway houses, and contracted residential placements;
 - projected juvenile probation supervision populations are 19,830 for fiscal year 2020 and 20,047 for fiscal year 2021. This population includes juveniles supervised on adjudicated probation, deferred prosecution, and conditional release; and
 - projected parole supervision populations are 435 in fiscal year 2020 and 425 in fiscal year 2021.
- Funding for the 2020–21 biennium includes the following changes:
 - \$5.3 million increase for a 5 percent salary increase for juvenile correctional officers and other direct care staff;
 - \$7.0 million decrease in General Revenue Funds to eliminate onetime information technology infrastructure and cybersecurity improvements funding;
 - \$2.1 million decrease in General Revenue Funds for agency-identified operational efficiencies across multiple strategies; and
 - \$12.1 million decrease in Other Funds from the Economic Stabilization Fund for onetime deferred maintenance projects.

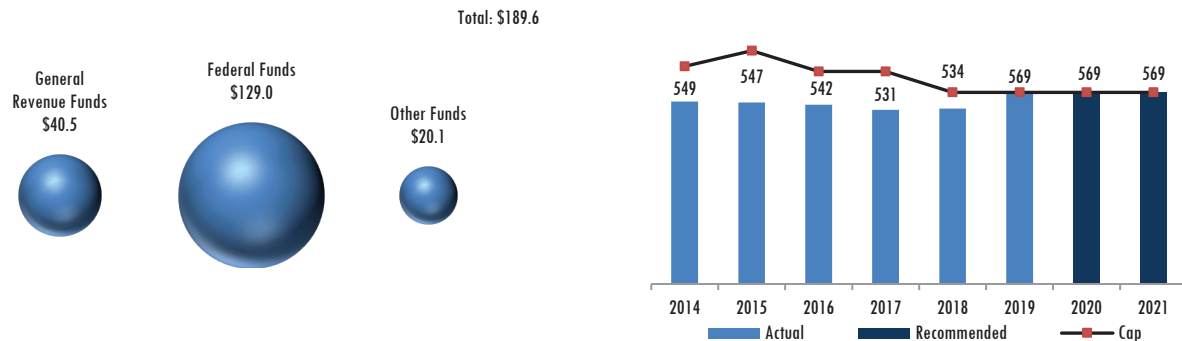
TEXAS MILITARY DEPARTMENT

FIGURE 60
TEXAS MILITARY DEPARTMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$30.4	\$40.5	\$10.1	33.4%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$146.0	\$129.0	(\$17.0)	(11.6%)
Other Funds	\$46.5	\$20.1	(\$26.4)	(56.8%)
Total, All Methods of Finance	\$222.9	\$189.6	(\$33.3)	(14.9%)

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



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

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

Funding for the Texas Military Department (TMD) for the 2020–21 biennium totals \$189.6 million in All Funds, which represents an All Funds decrease of \$33.3 million, or 14.9 percent. Included in the All Funds decrease is a General Revenue Funds increase of \$10.1 million, an estimated Federal Funds decrease of \$17.0 million, and an Other Funds decrease of \$26.4 million. The Texas Military Department is under Strategic Fiscal Review.

HIGHLIGHTS

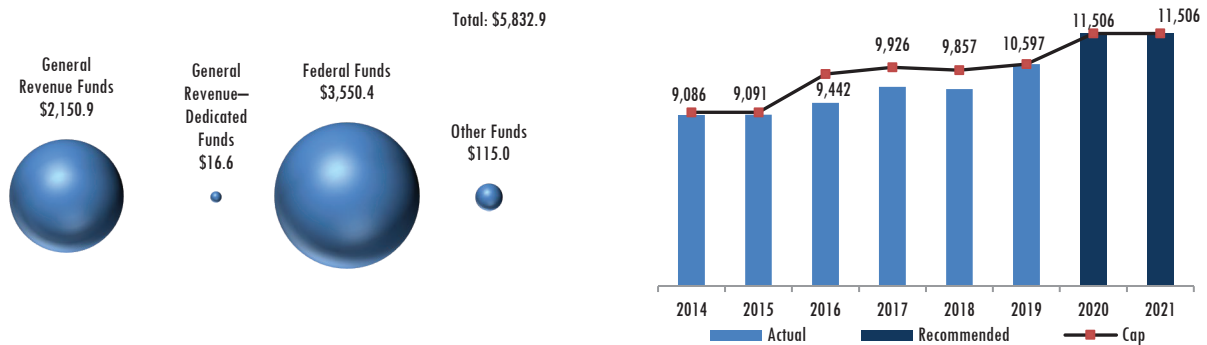
- Funding includes an All Funds decrease of \$35.1 million to eliminate one-time funding for the deployment of the Texas Military Forces (TXMF) for disaster relief missions during and after Hurricane Harvey during fiscal year 2018. The net decrease in funding includes the following amounts:
 - \$26.8 million decrease in Federal Funds; and
 - \$8.3 million decrease in Governor's Emergency and Deficiency grants. TMD received \$30.0 million in emergency grants to deploy TXMF for activities related to Hurricane Harvey. TMD has reimbursed the Office of the Governor \$21.7 million of the grant amount.
- Funding for the Challenge Academy includes \$9.7 million in All Funds, which includes a decrease of \$1.0 million in Other Funds from Interagency Contracts – Foundation School Program Funds and a decrease of \$0.1 million in Federal Funds as the result of the consolidation of the two Challenge Academy campuses, resulting in the closure of the Sheffield location.

- Funding includes an All Funds increase of \$3.1 million as the result of increased funding related to facilities maintenance and operations, including the following amounts:
 - \$16.3 million decrease in Economic Stabilization Funds (ESF) to eliminate one-time deferred maintenance funding;
 - \$10.0 million increase in General Revenue Funds and \$15.0 million increase in federal matching funding for the State Armory Revitalization Program;
 - \$4.9 million decrease in Federal Funds not associated with a federal match to the level of state funding provided; and
 - \$0.7 million decrease in General Obligation Bond Proceeds fully expended during the 2018–19 biennium.
- General Revenue funding includes a \$0.1 million increase primarily for the following items:
 - \$56,280 increase to reflect the increased Earned Federal Funds estimate; and
 - \$6,178 increase to reflect the Adjutant General salary increase.
- Funding for border-related activities includes \$6.2 million in Other Funds from Interagency Contracts, which is a \$5.1 million decrease related to the National Guard surge deployment during the 2018–19 biennium and a \$0.1 million agency-estimated decrease for the Border Star program.
- Funding includes a \$5.0 million increase in Current Fund Balance to maintain the 2018–19 biennial appropriated estimate from the sale of property.

DEPARTMENT OF PUBLIC SAFETY

FIGURE 61
DEPARTMENT OF PUBLIC SAFETY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$1,843.3	\$2,150.9	\$307.6	16.7%
General Revenue–Dedicated Funds	\$16.1	\$16.6	\$0.5	3.2%
Federal Funds	\$6,523.9	\$3,550.4	(\$2,973.5)	(45.6%)
Other Funds	\$301.6	\$115.0	(\$186.6)	(61.9%)
Total, All Methods of Finance	\$8,684.9	\$5,832.9	(\$2,852.1)	(32.8%)
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



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

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

Funding for the Department of Public Safety for the 2020–21 biennium totals \$5.8 billion in All Funds, which represents an All Funds decrease of \$2.9 billion, or 32.8 percent. Funding includes \$2.2 billion in General Revenue Funds and General Revenue–Dedicated Funds, an increase of \$308.1 million, or 16.6 percent, compared to 2018–19 biennial funding levels.

HIGHLIGHTS

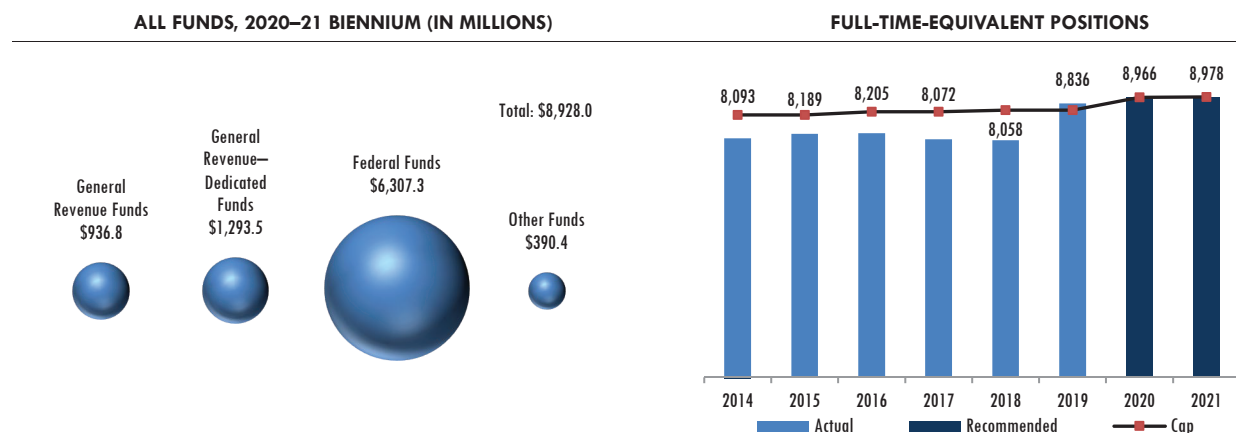
- Funding includes an additional \$51.3 million in Driver License Services to reclassify Customer Service Representatives to Permit Specialists. An increase of \$141.4 million was included to fund 762.0 full-time-equivalent (FTE) positions to staff all available work stations at current driver license offices.
- Funding includes an additional \$39.9 million and 80.0 additional commissioned FTE positions and 56.5 FTE support staff positions for the Human Trafficking and Anti-Gang Task Forces costs that are not categorized as Border Security funding.
- Funding includes \$49.8 million and 122.0 noncommissioned FTE positions for DPS Crime labs:
 - \$30.0 million and 75.0 positions to add a second analyst shift to increase lab capacity and reduce backlogs, including capital equipment, technology, and a Garland Crime Lab remodel;
 - \$14.0 million and 47.0 positions to prioritize testing of sexual assault kits; and
 - \$5.8 million to restore General Revenue funding to DPS Crime Labs;

- Funding includes \$696.0 million in All Funds (\$690.0 million in General Revenue Funds and General Revenue–Dedicated Funds and \$6.0 million in Criminal Justice Grants) for the 2020–21 biennium for border security, including \$435.2 million in the agency’s bill pattern in Goal B, Secure Texas, and an additional \$260.8 million in other agency goals. This amount is a \$1.7 million increase from the 2018–19 expenditure levels, primarily the result of funding for Human Trafficking and Anti–Gang Task Forces (\$20.3 million), and the reduction of onetime funding for Operation Drawbridge equipment (\$7.0 million), construction of the Peñitas law enforcement facility (\$2.8 million), and removal of the Border Surge contingency funding (\$8.8 million). This funding maintains support for Department of Public Safety (DPS) personnel at fiscal year 2019 full deployment levels, and eliminates funding for onetime and transitional expenditures. The funding includes:
 - \$671.1 million in 2018–19 biennial baseline border funding, which includes the 50–hour work week, and 250 additional troopers provided by the Eighty–fifth Legislature, Regular Session, 2017;
 - \$20.3 million to recruit, train and equip, 40.0 additional commissioned FTE positions and 28.2 FTE support staff positions to establish human trafficking and anti–gang task forces. Human trafficking squads would conduct domestic minor sex trafficking investigations, as well as international and labor trafficking investigations;
 - \$2.2 million for the University of North Texas Missing Persons Database;
 - \$1.3 million to fund the Border Auto Theft Information Center;
 - \$0.7 million to fund training for local law enforcement agencies on transitioning crime reporting methodology to the National Incident Based Reporting System; and
 - \$0.4 million for maintenance and operational costs for the Peñitas Law Enforcement Center.
- The remainder of the All Funds decrease is primarily attributable to an estimated Federal Funds decrease of \$3.0 billion (primarily Hurricane Harvey Public Assistance Grants), a decrease of \$174.9 million in Other Funds (primarily Economic Stabilization Fund and Interagency Contracts with the Governor’s Office for Harvey relief), and a General Revenue Funds and General Revenue–Dedicated Funds decrease of \$8.3 million for onetime Information Technology and Cybersecurity Items, and CAPPs deployment costs.
- Funding includes \$87.5 million in General Revenue Funds to acquire 1,560 new and replacement vehicles over the course of the 2020–21 biennium, a \$1.5 million increase from the 2018–19 biennium.
- Funding includes an additional \$20.0 million to fund two recruit school classes per fiscal year. Each recruit school graduating class is expected to produce 92 new troopers.
- The Senate version of the supplemental appropriations bill includes \$5.8 million in General Revenue Funds for crime lab operations. The bill also includes \$97.0 million from the Economic Stabilization Fund to restore operations funding used for Hurricane Harvey Recovery.

ARTICLE VI – NATURAL RESOURCES

FIGURE 62
ARTICLE VI – NATURAL RESOURCES, BY METHOD OF FINANCE

(IN MILLIONS)				
METHOD OF FINANCE	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$910.6	\$936.8	\$26.2	2.9%
General Revenue–Dedicated Funds	\$1,366.6	\$1,293.5	(\$73.2)	(5.4%)
Federal Funds	\$3,823.6	\$6,307.3	\$2,483.8	65.0%
Other Funds	\$465.2	\$390.4	(\$74.8)	(16.1%)
Total, All Methods of Finance	\$6,566.0	\$8,928.0	\$2,362.1	36.0%



NOTES:

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

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

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE VI

All Funds for the Natural Resources agencies total \$8.9 billion for the 2020–21 biennium, which is an increase of \$2.4 billion, or 36.0 percent, from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$2.2 billion, which is a decrease of \$46.9 million, or 2.1 percent from the 2018–19 biennium. Federal Funds total \$6.3 billion, which is an increase of \$2.5 billion, or 65.0 percent from the 2018–19 biennium.

HIGHLIGHTS

- Funding for the General Land Office and Veteran's Land Board provides:
 - an increase of \$2.5 billion in Federal Funds for disaster recovery related to Hurricane Harvey comprised of an additional \$1.9 billion for short-term and community housing projects and \$595.1 million for infrastructure projects offset by a \$9.0 million reduction from onetime coastal cleanup expenses. In addition, funding in the amount of \$1.6 million in General Revenue Funds is provided through contingency appropriations in the event Federal Emergency Management Agency (FEMA) federal funds are no longer available for the short-term housing recovery program;
 - an increase of \$96.9 million in All Funds for coastal projects, including \$61.3 million in additional Appropriated Receipts for coastal erosion projects from the National Fish and Wildlife Foundation (NFWF), the Restore Act, and the Natural Resource Damage Assessment Trustee program (NRDA), and \$40.1 million in additional Federal Funds

from the Gulf of Mexico Energy Security Act for large-scale coastal construction projects. In addition, the Senate supplemental appropriations bill provides \$23.6 million from the Economic Stabilization Fund (ESF) for coastal projects and repairs necessary after Hurricane Harvey

- a decrease of \$69.6 million in All Funds for preserving, maintaining, and operating the Alamo facilities within the Alamo Complex, including \$72.0 million in Other Funds from the ESF offset by an increase of \$0.7 million in Appropriated Receipts and \$1.7 million in General Revenue–Dedicated Funds. Alamo funding is continued with \$18.2 million in All Funds for the 2020–21 biennium and \$68.9 million in Other Funds from the ESF funding encumbered during the 2018–19 biennium that is expected to be spent on construction projects through 2023;
- a decrease of \$48.6 million in All Funds transferred as onetime emergency funding during the 2018–19 biennium in response to Hurricane Harvey. This amount includes \$38.6 million in General Revenue Funds transferred from the Texas Department of Criminal Justice and \$10.0 million transferred as a grant from the Office of the Governor for cash-flow needs with short-term housing; and
- additionally, the Senate supplemental appropriations bill provides \$200.0 million in All Funds to be used for state matching funds for studies and projects to be conducted by the U.S. Army Corps of Engineers.
- Funding for the Parks and Wildlife Department provides the following amounts:
 - the maximum statutory allocation from the General Revenue Sporting Goods Sales Tax (SGST) transfers, estimated to be \$254.8 million, a \$49.6 million increase from the 2018–19 biennium. This appropriation will adjust to match the Comptroller of Public Accounts' Biennial Revenue Estimate. In addition to the amounts in the agency's bill pattern, \$66.7 million from SGST is utilized for payroll-related benefits and debt service payments;
 - \$131.1 million in Federal Funds, which includes a \$104.5 million decrease primarily due to the agency spending down allotment balances in fiscal year 2018. This does not represent an overall reduction in Federal Funds available to the agency. The agency receives funding from various federal sources for wildlife and fisheries conservation and management, developing outdoor recreation opportunities, law enforcement, and outreach and education efforts;
 - \$118.2 million in All Funds for deferred maintenance and capital construction, an increase of \$19.6 million, and all unexpended balances remaining from \$101.5 million appropriated for these purposes in the 2018–19 biennium. In addition, the Senate version of the supplemental appropriations bill provides \$8.0 million from the ESF for Hurricane Harvey-related expenses; and
 - additionally, the Senate version of the supplemental appropriations bill provides \$5.0 million from the ESF to purchase radios capable of statewide interoperability related to law enforcement activities.
- Funding for the Water Development Board in the Senate supplemental appropriations bill provides \$793.0 million in Infrastructure Resiliency Funds, a new fund contingent on enactment of Senate Bill 7, for infrastructure projects related to drainage, flood mitigation, and flood control and \$47.0 million in Infrastructure Resiliency Funds for developing or updating flood risk maps. If the legislation is not enacted, funding would be provided from the ESF.
- Funding for the Soil and Water Conservation Board in the Senate supplemental appropriations bill provides \$150.0 million in ESF for high hazard dam infrastructure projects.
- Funding for the Commission on Environmental Quality includes a \$90.0 million decrease in General Revenue–Dedicated Funds for onetime emergency funding transferred to the Texas Division of Emergency Management for debris removal associated with Hurricane Harvey recovery.
- Funding for the Department of Agriculture provides \$1.2 billion in All Funds, an increase of \$71.3 million in Federal Funds, for food and nutrition programs in schools and communities resulting from increased population projections.

- Funding for the Railroad Commission includes the following amounts:
 - an increase of \$26.9 million in General Revenue generated from the Gas Utility Pipeline Tax to replace the agency's mainframe computer system;
 - a decrease of \$32.6 million in onetime General Revenue Funds for operational stability that is offset by an increase of \$21.4 million in General Revenue–Dedicated Funds based on available balances and anticipated revenue collections; and
 - a decrease of \$38.7 million in onetime funding from the ESF for orphaned oil and gas well plugging.

Figure 63 shows the All Funds appropriations for each agency in Article VI, and **Figures 64** and **65** show the appropriations for each agency in General Revenue Funds and General Revenue–Dedicated Funds, respectively. On the subsequent pages in this chapter are more specific details about funding levels for selected agencies in Article VI.

FIGURE 63
ARTICLE VI – NATURAL RESOURCES BY AGENCY, ALL FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Agriculture	\$1,330.0	\$1,399.9	\$69.9	5.3%
Animal Health Commission	\$32.4	\$31.2	(\$1.2)	(3.6%)
Commission on Environmental Quality	\$845.3	\$758.3	(\$87.0)	(10.3%)
General Land Office and Veterans' Land Board	\$2,413.9	\$4,858.7	\$2,444.8	101.3%
Low-level Radioactive Waste Disposal Compact Commission	\$0.9	\$1.2	\$0.3	30.0%
Parks and Wildlife Department	\$853.3	\$775.0	(\$78.2)	(9.2%)
Railroad Commission	\$256.1	\$230.8	(\$25.3)	(9.9%)
Soil and Water Conservation Board	\$70.4	75.0	\$4.6	6.6%
Water Development Board	\$369.3	\$381.1	\$11.8	3.2%
Subtotal, Natural Resources	\$6,171.6	\$8,511.2	\$2,339.6	37.9%
Employee Benefits and Debt Service	\$427.9	\$431.9	\$4.0	0.9%
Less Interagency Contracts	\$33.6	\$15.1	(\$18.5)	(55.0%)
Total, All Functions	\$6,566.0	\$8,928.0	\$2,362.1	36.0%

NOTES:

(1) Excludes interagency contracts.

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

SOURCE: Legislative Budget Board.

FIGURE 64
ARTICLE VI – NATURAL RESOURCES BY AGENCY, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
FUNCTION	2018–19	2020–21	CHANGE	CHANGE
Department of Agriculture	\$105.9	\$109.3	\$3.4	3.2%
Animal Health Commission	\$28.3	\$27.9	(\$0.4)	(1.6%)
Commission on Environmental Quality	\$35.3	\$38.3	\$3.0	8.6%
General Land Office and Veterans' Land Board	\$66.9	\$27.1	(\$39.8)	(59.5%)
Low-level Radioactive Waste Disposal Compact Commission	\$0.0	\$0.0	\$0.0	N/A
Parks and Wildlife Department	\$261.2	\$308.9	\$47.8	18.3%
Railroad Commission	\$61.1	\$56.5	(\$4.6)	(7.6%)
Soil and Water Conservation Board	\$44.4	\$44.4	\$0.0	0.0%
Water Development Board	\$130.0	\$133.3	\$3.2	2.5%
Subtotal, Natural Resources	\$733.2	\$745.7	\$12.5	1.7%
Employee Benefits and Debt Service	\$177.4	\$191.1	\$13.7	7.7%
Total, All Functions	\$910.6	\$936.8	\$26.2	2.9%

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

SOURCE: Legislative Budget Board.

FIGURE 65
ARTICLE VI – NATURAL RESOURCES BY AGENCY, GENERAL REVENUE–DEDICATED FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
FUNCTION	2018–19	2020–21	CHANGE	CHANGE
Department of Agriculture	\$4.6	\$3.2	(\$1.4)	(31.3%)
Animal Health Commission	\$0.0	\$0.0	\$0.0	N/A
Commission on Environmental Quality	\$714.2	\$631.4	(\$82.8)	(11.6%)
General Land Office and Veterans' Land Board	\$30.4	\$32.6	\$2.2	7.3%
Low-level Radioactive Waste Disposal Compact Commission	\$0.9	\$1.2	\$0.3	30.0%
Parks and Wildlife Department	\$307.3	\$307.0	(\$0.3)	(0.1%)
Railroad Commission	\$135.1	\$155.4	\$20.3	15.0%
Soil and Water Conservation Board	\$0.0	\$0.0	\$0.0	N/A
Water Development Board	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Natural Resources	\$1,192.5	\$1,130.7	(\$61.8)	(5.2%)
Employee Benefits and Debt Service	\$174.1	\$162.8	(\$11.3)	(6.5%)
Total, All Functions	\$1,366.6	\$1,293.5	(\$73.2)	(5.4%)

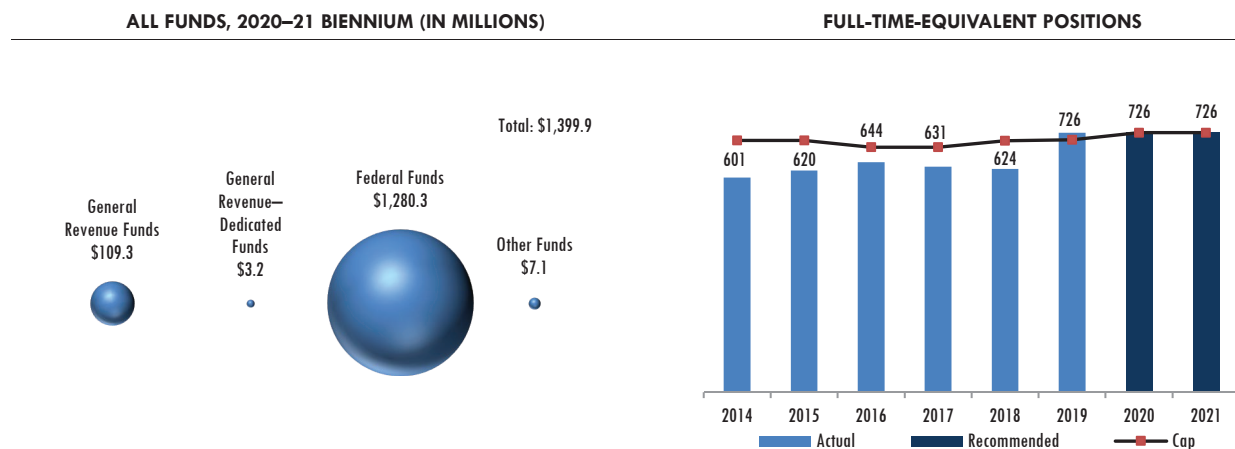
NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

DEPARTMENT OF AGRICULTURE

FIGURE 66
TEXAS DEPARTMENT OF AGRICULTURE, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$105.9	\$109.3	\$3.4	3.2%
General Revenue–Dedicated Funds	\$4.6	\$3.2	(\$1.4)	(31.3%)
Federal Funds	\$1,203.9	\$1,280.3	\$76.4	6.3%
Other Funds	\$15.6	\$7.1	(\$8.4)	(54.2%)
Total, All Methods of Finance	\$1,330.0	\$1,399.9	\$69.9	5.3%



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

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

Funding for the Department of Agriculture for the 2020–21 biennium totals \$1.4 billion in All Funds, which is an increase of \$69.9 million, or 5.3 percent, from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$112.5 million, an increase of \$1.9 million, or 1.8 percent. Federal Funds and Other Funds funding totals \$1.3 billion, an increase of \$67.9 million, or 5.6 percent. The increase is due primarily to an increase in Federal Funds for the Child Nutrition programs administered by the agency.

HIGHLIGHTS

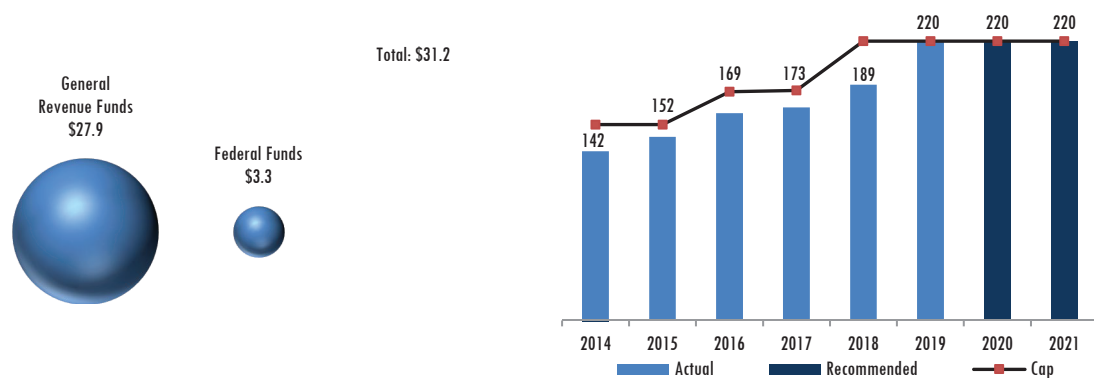
- Funding includes \$1.2 billion in All Funds for the Child and Adult Nutrition programs. This amount includes an increase of \$71.3 million in Federal Funds as a result of increased population projections.
- Funding includes \$145.3 million in Federal Funds from various other federal funding sources,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

- Funding includes \$19.7 million in General Revenue Funds, an increase of \$2.0 million, for the Texans Feeding Texans (Home Delivered Meals Grant Program). The program provides grants to supplement home-delivered meal programs for seniors and disabled Texans.
- Funding includes \$1.1 million in Other Funds from the Texas Economic Development Fund No. 183, a decrease of \$8.1 million due to depletion of the fund's original balances. The account funds investments in small businesses, including loans to small businesses focused on rural Texas. Agency is granted estimated appropriation authority for this account.
- Funding includes \$3.2 million in General Revenue–Dedicated Funds from Account No. 5047, Permanent Fund for Rural Health Facility Capital Improvement, a decrease of \$1.4 million due to decreased interest on the tobacco settlement endowment.
- Funding includes \$1.8 million in General Revenue Funds, a decrease of \$0.6 million, for the Fuel Quality program. The program receives information on motor fuel quality testing conducted by third parties and may issue a stop-sale if a sample is contaminated or does not meet standards.

TEXAS ANIMAL HEALTH COMMISSION

FIGURE 67
TEXAS ANIMAL HEALTH COMMISSION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$28.3	\$27.9	(\$0.4)	(1.6%)
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$4.0	\$3.3	(\$0.7)	(18.1%)
Other Funds	\$0.0	\$0.0	(\$0.0)	(100.0%)
Total, All Methods of Finance	\$32.4	\$31.2	(\$1.2)	(3.6%)
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



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

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

Funding for the Texas Animal Health Commission for the 2020–21 biennium totals \$31.2 million in All Funds, a decrease of \$1.2 million, or 3.6 percent, from the 2018–19 biennium. General Revenue Funds total \$27.9 million, a decrease of \$0.4 million, or 1.6 percent. The Texas Animal Health Commission is under Strategic Fiscal Review.

HIGHLIGHTS

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

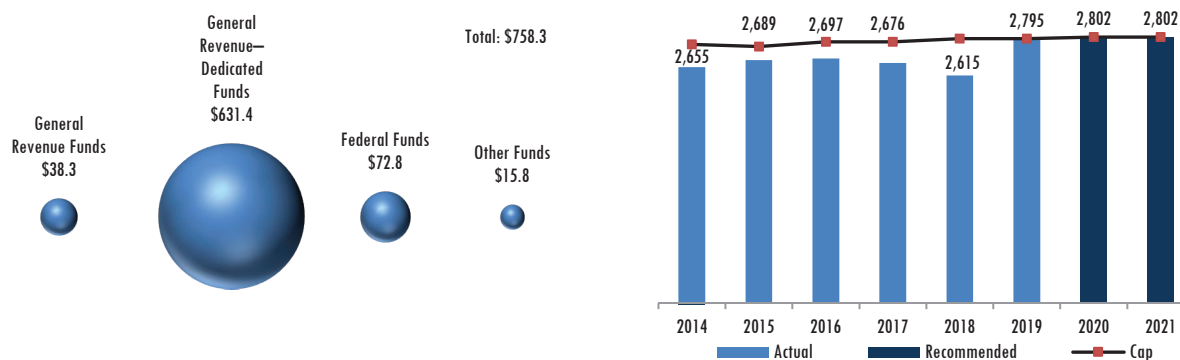
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

FIGURE 68
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$35.3	\$38.3	\$3.0	8.6%
General Revenue–Dedicated Funds	\$714.2	\$631.4	(\$82.8)	(11.6%)
Federal Funds	\$75.7	\$72.8	(\$2.9)	(3.8%)
Other Funds	\$20.1	\$15.8	(\$4.3)	(21.5%)
Total, All Methods of Finance	\$845.3	\$758.3	(\$87.0)	(10.3%)

ALL FUNDS, 2020–21 BIENNium (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



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

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

Funding for the Commission on Environmental Quality (TCEQ) for the 2020–21 biennium totals \$758.3 million in All Funds, which is a decrease of \$87.0 million, or 10.3 percent, from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$669.7 million, a decrease of \$79.8 million, or 10.6 percent.

HIGHLIGHTS

- Funding provides \$154.7 million in General Revenue–Dedicated Account No. 5071, Texas Emission Reduction Plan (TERP), to fund a set of programs that provide financial incentives to limit pollution from vehicles and equipment. Although overall funding is maintained at 2018–19 biennial levels, \$3.0 million each year is allocated to a new program, the Governmental Alternative Fuel Fleet program from the Emissions Reduction Incentive Grant program. This new program provides grants to state agencies and local governments to fund the replacement or upgrade of vehicle fleets to alternative fuels. The Eighty-fifth Legislature, Regular Session, 2017, extended the TERP program authorization to the end of the biennium in which Texas attains national ambient air quality standards for ground-level ozone. TERP program fees and surcharges are set to expire at the end of fiscal year 2019.
- Funding includes a \$90.0 million decrease in General Revenue–Dedicated Account No. 5000, Solid Waste Disposal, funds for onetime emergency funding transferred to the Texas Division of Emergency Management for debris removal associated with Hurricane Harvey recovery.
- Funding provides \$5.5 million in General Revenue, a \$2.4 million increase, for the Rio Grande Compact Commission for litigation expenses associated with continuation of the State of Texas' lawsuit against the State of New Mexico for

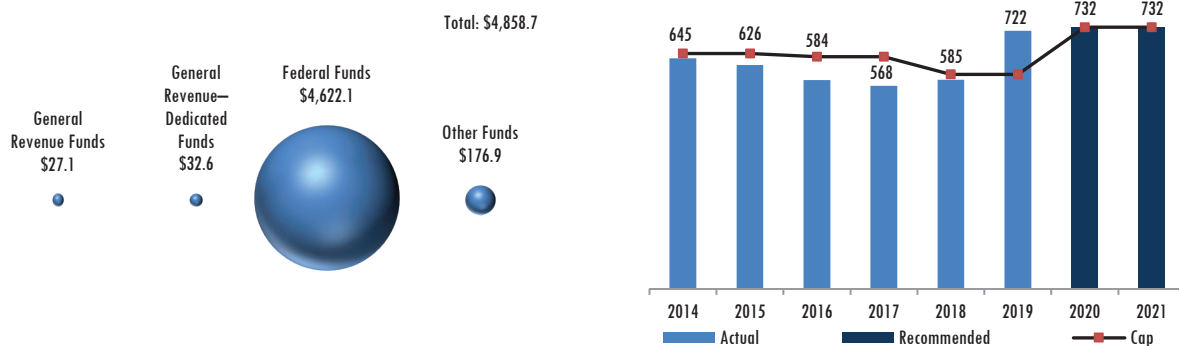
equitable distribution of water of the Rio Grande River. In addition, the Senate supplemental appropriation bill provides \$1.4 million in General Revenue Funds for the same purpose.

- Funding provides \$5.0 million in General Revenue–Dedicated Account No. 5158, Environmental Radiation and Perpetual Care, a \$1.4 million increase, for cleanup of radioactive material at a former uranium mining and processing site in Live Oak County.
- Funding provides \$3.0 million in General Revenue–Dedicated Account No. 151, Clean Air (Account No. 151), in fiscal year 2020 with a rider directing how the funding for air quality planning activities in near nonattainment areas may be used by local governments and how TCEQ shall resources to best support the State Implementation Plan.
- Funding provides \$2.3 million in Appropriated Receipts, a \$3.8 million decrease, primarily due to anticipated reductions in the amount of recovered costs from Superfund cleanups and disasters.
- Funding continues \$1.3 million in General Revenue–Dedicated Funds from Account No. 151 for the expedited processing of air permit applications, at 2018–19 biennial spending levels. The agency has estimated appropriation authority allowing it to spend all revenues collected for this purpose. In addition, the Senate supplemental bill provides the agency with estimated appropriation authority for the same purpose allowing it to spend all revenues collected during the 2018–19 biennium.

GENERAL LAND OFFICE

FIGURE 69
GENERAL LAND OFFICE, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$66.9	\$27.1	(\$39.8)	(59.5%)
General Revenue–Dedicated Funds	\$30.4	\$32.6	\$2.2	7.3%
Federal Funds	\$2,110.8	\$4,622.1	\$2,511.2	119.0%
Other Funds	\$205.8	\$176.9	(\$28.9)	(14.0%)
Total, All Methods of Finance	\$2,413.9	\$4,858.7	\$2,444.8	101.3%
ALL FUNDS, 2020–21 BIENNium (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



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

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

Funding for the General Land Office for the 2020–21 biennium totals \$4.9 billion in All Funds, which is an increase of \$2.4 billion, or 101.3 percent, from the 2018–19 biennium. General Revenue Funds and General Revenue–Dedicated Funds total \$59.7 million, a decrease of \$37.6 million, or 38.6 percent. This decrease is primarily due to a onetime emergency transfer of funds from the Department of Criminal Justice following Hurricane Harvey. Federal Funds and Other Funds total \$4.8 billion, an increase of \$2.5 billion, or 107.1 percent, primarily due to increased Federal Funds provided for housing and infrastructure following Hurricane Harvey.

HIGHLIGHTS

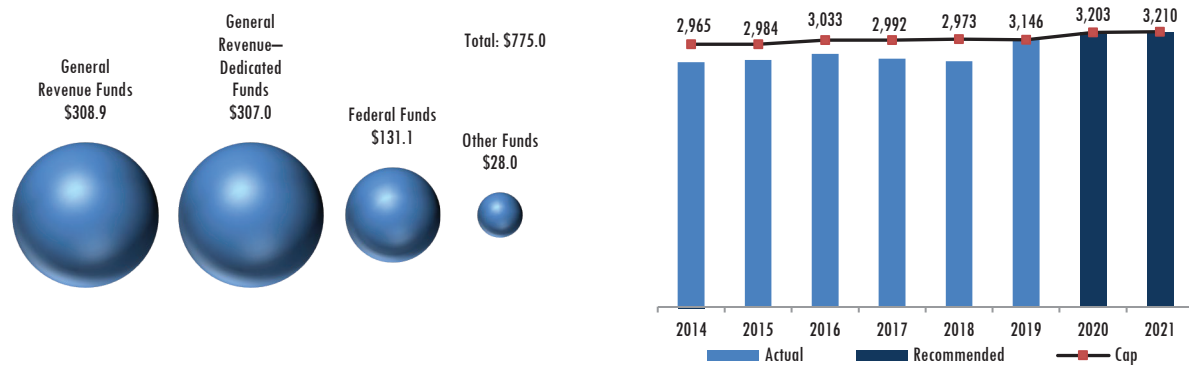
- Funding includes \$3.7 billion in All Funds for housing projects related to disaster recovery, which is an increase of \$1.8 billion, or 100.0 percent, from 2018–19 biennial spending levels. Included in this amount are General Revenue Funds in the amount of \$1.6 million to be used in the event Federal Emergency Management Agency (FEMA) federal funds are no longer available for the short-term housing recovery program.
- Funding includes \$858.5 million in Federal Funds for infrastructure projects related to disaster recovery, which is an increase of \$595.1 million, or 226.0 percent, from 2018–19 biennial spending levels. In addition, the Senate supplemental appropriations bill provides \$23.6 million from the Economic Stabilization Fund (ESF) for coastal projects and repairs necessary after Hurricane Harvey.
- The Senate supplemental appropriations bill provides \$200.0 million in All Funds to be used for state matching funds for studies and projects to be conducted by the U.S. Army Corps of Engineers.

- Funding includes \$18.2 million in All Funds for the Alamo Complex, a decrease of \$69.6 million, or 79.3 percent, primarily due to the removal of funding from the Economic Stabilization Fund for the Alamo Master Plan. An estimated \$3.0 million in Economic Stabilization Funds are continued as unexpended balances from the 2018–19 biennium for operation and maintenance of the Alamo. In addition, the agency will continue using encumbered Economic Stabilization Funds from the 2018–19 biennium in 2020–21 to continue implementing the Alamo Master Plan.
- Funding includes \$185.1 million in All Funds, an increase of \$96.9 million, to protect and maintain the Texas coast. This amount includes coastal construction and erosion project funding of \$171.7 million in All Funds.
- Funding includes \$41.0 million from the Permanent School Fund, a decrease of \$10.6 million, which is largely attributable to the use of surface damage funds pending Federal Emergency Management Agency reimbursements for onetime disaster costs following Hurricane Harvey.

PARKS AND WILDLIFE DEPARTMENT

FIGURE 70
TEXAS PARKS AND WILDLIFE DEPARTMENT, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$261.2	\$308.9	\$47.8	18.3%
General Revenue–Dedicated Funds	\$307.3	\$307.0	(\$0.3)	(0.1%)
Federal Funds	\$235.6	\$131.1	(\$104.5)	(44.4%)
Other Funds	\$49.2	\$28.0	(\$21.2)	(43.0%)
Total, All Methods of Finance	\$853.3	\$775.0	(\$78.2)	(9.2%)



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

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

Funding for the Parks and Wildlife Department (TPWD) for the 2020–21 biennium totals \$775.0 million from All Funds. This amount is a decrease of \$78.2 million, or 9.2 percent, from the 2018–19 biennium. The decrease is primarily due to the agency's expenditure of available Federal Funds remaining from previous years (i.e. 2015 and 2016) in fiscal year 2018 and projected declines from donations and project reimbursements, partially offset by an increase of General Revenue Funds Sporting Goods Sales Tax transfer to General Revenue–Dedicated Funds Account No. 5004, Texas Parks and Wildlife Conservation and Capital, for deferred maintenance projects.

HIGHLIGHTS

- Funding includes the maximum statutory allocation from the General Revenue Sporting Goods Sales Tax (SGST) transfers, estimated to be \$254.8 million, a \$49.6 million increase from the 2018–19 biennium. In addition to the amounts in the agency's bill pattern, \$66.7 million from SGST is utilized for payroll-related benefits and debt service payments.
- Funding includes \$131.1 million in Federal Funds, which is a decrease of \$104.5 million, or 44.4 percent from the 2018–19 biennium. The decrease is primarily due to the expenditure of federal grant allotments from previous years in fiscal year 2018 and does not represent a reduction in Federal Funds available to the agency. TPWD receives funding from various federal sources for wildlife and fisheries conservation and management, developing outdoor recreation opportunities, law enforcement, and outreach and education efforts. Additional Federal Funds may be secured by the agency over the course of the 2020–21 biennium that are not reflected in the appropriations.
- Funding includes \$118.2 million in All Funds for deferred maintenance and capital construction. This amount is an increase of \$19.6 million from the 2018–19 biennium. The agency is provided unexpended balances authority to carry

forward unexpended and unobligated balances in SGST transfer to General Revenue-Dedicated Parks and Wildlife Conservation and Capital Account No. 5004 from fiscal year 2019 into fiscal year 2020 for deferred maintenance and capital construction projects reviewed by the Joint Oversight Committee on Government Facilities. In addition, the Senate version of the supplemental bill provides \$8.0 million in Economic Stabilization Funds for Hurricane Harvey related expenses.

- Funding includes \$188.4 million in All Funds, which is an increase of \$12.6 million, or 7.2 percent, from the 2018-19 spending level, for state park operations, minor repairs, and support. These funds are used to operate 91 state parks, historic sites, and natural areas anticipated to be open to the public during the 2020–21 biennium. The increase is primarily due to SGST transfers to General Revenue–Dedicated State Parks Account No. 64 for state park operations and minor repair partially offset by decreases in Federal Funds and Other Funds.
- Funding includes \$174.3 million in All Funds for wildlife and fisheries conservation and management operations, which is a decrease of \$53.4 million below 2018–19 spending levels, primarily due to decreases in Federal Funds (\$44.5 million). Of this amount, \$77.6 million is from General Revenue-Related Funds and \$96.7 million is from Federal Funds and Other Funds.
- Funding includes \$28.0 million in Other Funds, a decrease of \$21.1 million, or 43.0 percent, from the 2018–19 biennium. Funding includes an agency estimated \$20.2 million in donations and project reimbursements, a reduction of \$11.1 million, or 35.6 percent, which is not expected to continue in the 2020–21 biennium. Funding also includes \$5.6 million from General Obligation Bond Proceeds, a decrease of \$2.5 million, or 31.1 percent.
- In addition, the Senate version of the supplemental appropriations bill provides \$5.0 million in Economic Stabilization Funds to purchase radios capable of statewide interoperability related to law enforcement activities.

ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT

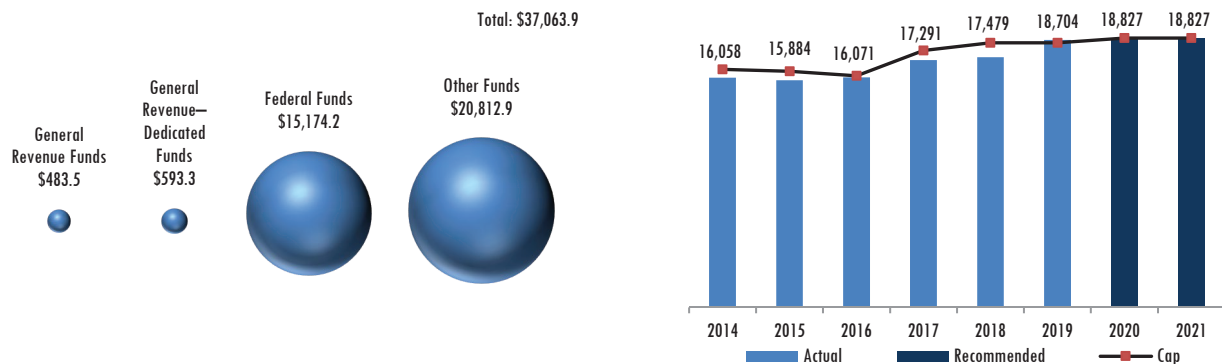
FIGURE 71
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, BY METHOD OF FINANCE

(IN MILLIONS)

METHOD OF FINANCE	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
General Revenue Funds	\$496.5	\$483.5	(\$13.0)	(2.6%)
General Revenue–Dedicated Funds	\$571.9	\$593.3	\$21.4	3.7%
Federal Funds	\$14,715.8	\$15,174.2	\$458.4	3.1%
Other Funds	\$20,803.3	\$20,812.9	\$9.6	0.0%
Total, All Methods of Finance	\$36,587.5	\$37,063.9	\$476.4	1.3%

ALL FUNDS, 2020–21 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.

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE VII

All Funds for the Business and Economic Development agencies total \$37.1 billion for the 2020–21 biennium, an increase of \$476.4 million, or 1.3 percent, from the 2018–19 biennium. General Revenue Funds total \$483.5 million, a decrease of \$13.0 million, or 2.6 percent, from the 2018–19 biennium. The decrease in General Revenue Funds is due primarily to the Department of Motor Vehicles transitioning its automation system projects from development to maintenance.

HIGHLIGHTS

- Funding for the Texas Department of Transportation for the 2020–21 biennium includes \$31.3 billion in All Funds, an increase of \$0.3 billion from the 2018–19 biennium. Funding includes: an estimated \$5.0 billion from anticipated state sales tax deposits to the State Highway Fund (SHF) pursuant to Proposition 7, 2015 (an increase of \$0.1 billion); an estimated \$3.9 billion from oil and natural gas tax-related deposits to the SHF pursuant to Proposition 1, 2014 (increase of \$0.6 billion); and all SHF available from traditional transportation tax and fee revenue sources, which is estimated to be \$9.3 billion for the 2020–21 biennium, an increase of \$0.7 billion. These increases are offset by a decrease of \$1.3 billion in Other Funds from bond proceeds. See the agency bill summary for additional details.
- Funding of \$326.0 million in Revenue Bond Proceeds is provided for the construction and equipping of the Austin Campus Consolidation project for the relocation of TxDOT facilities and operations in the Austin area.

- Funding for the Texas Workforce Commission includes a net increase in All Funds of \$187.3 million, primarily due to the increase in federal appropriations for the Child Care and Development Block Grant for childcare services provided to low-income families. The Senate version of the supplemental bill includes \$8.9 million in Economic Stabilization Funds in fiscal year 2019 for vocational rehabilitation services related to Hurricane Harvey. See the agency bill summary for additional details.
- Funding for the Department of Motor Vehicles includes a net decrease of \$21.1 million in All Funds, which includes decreases of \$13.2 million in General Revenue Funds and \$7.8 million in Other Funds from the Texas Department of Motor Vehicles Fund and State Highway Fund primarily related to onetime appropriations for information technology projects and deferred maintenance of buildings and facilities.
- Funding for the Texas Lottery Commission includes an increase in All Funds of \$21.2 million attributable to an increase of \$11.2 million for the Lottery Operator Contract and an increase of \$7.1 million for Retailer Commissions, both of which are based on increasing total projected sales; an increase of \$0.8 million for the Retailer Bonus program; an increase of \$1.8 million for construction of the agency's new headquarters facility; and an increase of \$0.3 million for ongoing information technology needs.

Figure 72 shows the All Funds appropriation for each agency in Article VII, and **Figure 73** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for some of the agencies in Article VII.

FIGURE 72
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, ALL FUNDS

(IN MILLIONS) FUNCTION	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
Department of Housing and Community Affairs	\$550.4	\$573.8	\$23.4	4.3%
Texas Lottery Commission	\$535.3	\$556.5	\$21.2	4.0%
Department of Motor Vehicles	\$328.9	\$307.9	(\$21.1)	(6.4%)
Department of Transportation	\$30,844.8	\$31,108.1	\$263.3	0.9%
Texas Workforce Commission	\$3,602.5	\$3,789.8	\$187.3	5.2%
Reimbursements to the Unemployment Compensation Benefit Account	\$37.8	\$37.8	\$0.0	0.0%
Subtotal, Business and Economic Development	\$35,899.7	\$36,373.8	\$474.1	1.3%
Retirement and Group Insurance	\$753.1	\$783.7	\$30.6	4.1%
Social Security and Benefits Replacement Pay	\$151.6	\$151.9	\$0.3	0.2%
Bond Debt Service Payments	\$26.6	\$21.3	(\$5.3)	(19.7%)
Lease Payments	\$0.6	0.0	(\$0.6)	(100.0%)
Subtotal, Employee Benefits and Debt Service	\$931.9	\$957.0	\$25.1	2.7%
Less Interagency Contracts	\$244.2	\$266.9	\$22.8	9.3%
Total, All Functions	\$36,587.5	\$37,063.9	\$476.4	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 73
ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT, GENERAL REVENUE FUNDS

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
FUNCTION	2018–19	2020–21	CHANGE	CHANGE
Department of Housing and Community Affairs	\$24.4	\$24.3	(\$0.0)	(0.1%)
Texas Lottery Commission	\$0.0	\$0.0	\$0.0	N/A
Department of Motor Vehicles	\$38.9	\$25.7	(\$13.2)	(34.0%)
Department of Transportation	\$3.9	\$4.4	\$0.5	12.9%
Texas Workforce Commission	\$382.2	\$385.9	\$3.7	1.0%
Reimbursements to the Unemployment Compensation Benefit Account	\$0.0	\$0.0	\$0.0	N/A
Subtotal, Business and Economic Development	\$449.3	\$440.3	(\$9.1)	(2.0%)
Retirement and Group Insurance	\$15.8	\$17.0	\$1.3	8.0%
Social Security and Benefit Replacement Pay	\$4.9	\$4.9	\$0.0	0.2%
Bond Debt Service Payments	\$25.9	\$21.3	(\$4.6)	(17.7%)
Lease Payments	\$0.6	\$0.0	(\$0.6)	(100.0%)
Subtotal, Employee Benefits and Debt Service	\$47.2	\$43.3	(\$3.9)	(8.4%)
Total, All Functions	\$496.5	\$483.5	(\$13.0)	(2.6%)

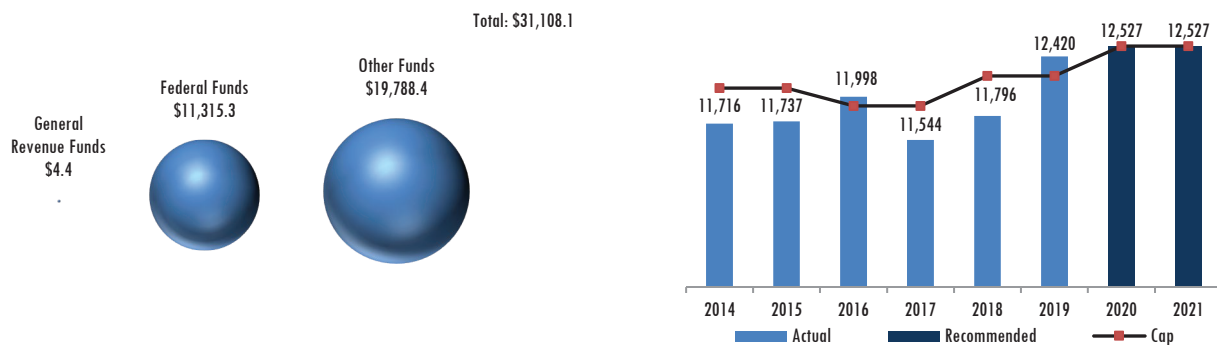
NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

DEPARTMENT OF TRANSPORTATION

FIGURE 74
DEPARTMENT OF TRANSPORTATION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$3.9	\$4.4	\$0.5	12.9%
General Revenue–Dedicated Funds	\$0.0	\$0.0	\$0.0	N/A
Federal Funds	\$11,046.5	\$11,315.3	\$268.8	2.4%
Other Funds	\$19,794.5	\$19,788.4	(\$6.0)	(0.0%)
Total, All Methods of Finance	\$30,844.8	\$31,108.1	\$263.3	0.9%
ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)		FULL-TIME-EQUIVALENT POSITIONS		



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

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

Funding for the Department of Transportation for the 2020–21 biennium totals \$31.1 billion in All Funds, an increase of \$0.3 billion from the 2018–19 biennium. Funding includes the following amounts: an estimated \$5.0 billion from anticipated state sales tax deposits to the State Highway Fund (SHF) (Other Funds) pursuant to Proposition 7, 2015 (an increase of \$0.1 billion); an estimated \$3.9 billion from oil and natural gas tax-related deposits to the SHF pursuant to Proposition 1, 2014 (an increase of \$0.6 billion); and all SHF available from traditional transportation tax and fee revenue sources, estimated to be \$9.3 billion for the 2020–21 biennium (an increase of \$0.7 billion). These increases are offset by a decrease of \$1.3 billion in Other Funds from bond proceeds.

HIGHLIGHTS

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

- \$1.0 billion from the Texas Mobility Fund (Other Funds), a decrease of \$0.4 billion, for bond debt service payments and transportation project development and delivery;
- \$0.3 billion in Revenue Bond Proceeds to be issued by the Texas Public Finance Authority on behalf of the Department of Transportation for the construction and equipping of the Austin Campus Consolidation project; and
- a decrease of \$1.3 billion from bond proceeds for transportation projects primarily due to the expenditure of all remaining proceeds authorized for the Proposition 12 (2007), Proposition 14 (2003), and Texas Mobility Fund bond programs for the 2018–19 biennium.
- Funding of \$27.2 billion in All Funds is provided for highway planning and design, right-of-way acquisition, construction, and maintenance and preservation, including:
 - \$10.8 billion in Federal Funds;
 - \$7.5 billion in Other Funds from the SHF from traditional transportation tax and fee revenue sources;
 - \$4.4 billion from state sales tax and motor vehicle sales and rental tax deposits to the SHF (Proposition 7, 2015);
 - \$3.9 billion from oil and natural gas tax-related deposits to the SHF (Proposition 1, 2014);
 - \$0.3 billion from the SHF from regional toll project proceeds; and
 - \$0.2 billion in Other Funds from the Texas Mobility Fund.
- Funding of \$2.2 billion in All Funds is provided for debt service payments and other financing costs associated with the agency's borrowing programs, including:
 - \$0.8 billion in Other Funds from the SHF for Proposition 14, 2003, bonds;
 - \$0.7 billion in Other Funds from the Texas Mobility Fund for Texas Mobility Fund bonds;
 - \$0.6 billion in SHF Proposition 7, 2015, proceeds for Proposition 12, 2007, General Obligation bonds;
 - \$0.1 billion in Federal Funds from Build America Bond interest payment subsidies; and
 - \$1.0 million from the SHF for credit agreements associated with the agency's short-term borrowing program.
- Funding includes an increase of 313.5 full-time-equivalent positions for construction and engineering project management.
- Funding of \$91.5 million in SHF is provided for construction, deferred maintenance, and land acquisition for projects included in the agency's facilities master plan.
- Funding of \$57.7 million in SHF is provided for information technology and systems modernization projects.
- Funding of \$0.5 million in General Revenue Funds is provided for development of border inspection and security facilities for the South Orient Railroad at Presidio.

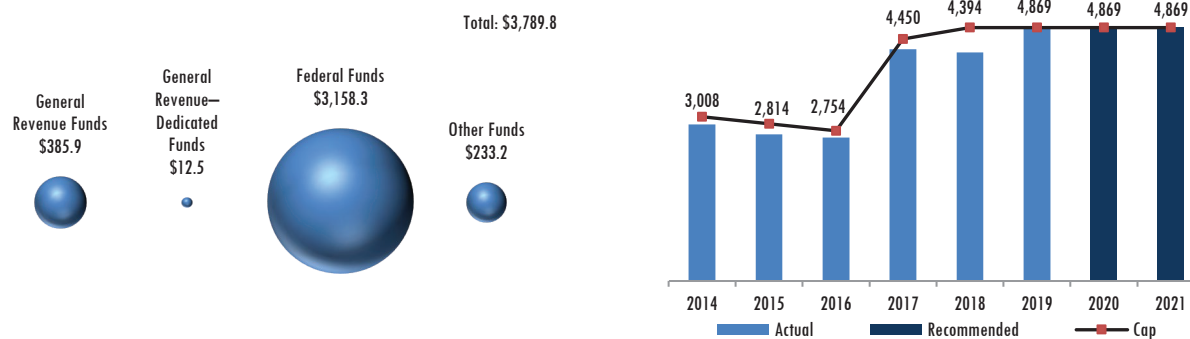
TEXAS WORKFORCE COMMISSION

FIGURE 75
TEXAS WORKFORCE COMMISSION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$382.2	\$385.9	\$3.7	1.0%
General Revenue–Dedicated Funds	\$12.5	\$12.5	\$0.0	0.0%
Federal Funds	\$2,997.5	\$3,158.3	\$160.8	5.4%
Other Funds	\$210.4	\$233.2	\$22.7	10.8%
Total, All Methods of Finance	\$3,602.5	\$3,789.8	\$187.3	5.2%

ALL FUNDS, 2020–21 BIENNIUM (IN MILLIONS)

FULL-TIME-EQUIVALENT POSITIONS



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

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

Funding for the Texas Workforce Commission (TWC) for the 2020–21 biennium totals \$3.8 billion in All Funds, which includes an All Funds increase of \$187.3 million from the 2018–19 biennium. The increase in funding is related primarily to the increase in federal appropriations for the Child Care and Development Block Grant (CCDBG). TWC is under Strategic Fiscal Review.

HIGHLIGHTS

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

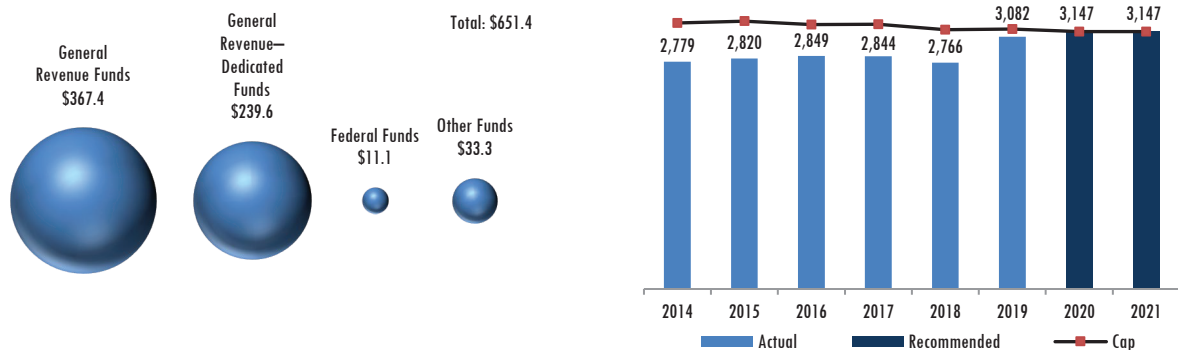
Innovation and Opportunity Act National Emergency grant provided for Hurricane Harvey that is not anticipated for the 2020–21 biennium.

- Funding includes an additional \$3.0 million in General Revenue Funds for the Jobs and Education for Texans (JET) program for a total of \$13.0 million in General Revenue Funds in the 2020–21 biennium. The JET program awards grants to public community and technical colleges and independent school districts to purchase equipment for career and technical education programs.
- The Senate version of the supplemental bill includes \$8.9 million in Economic Stabilization Funds in fiscal year 2019 for vocational rehabilitation services related to Hurricane Harvey.

ARTICLE VIII – REGULATORY

FIGURE 76
ARTICLE VIII – REGULATORY, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
METHOD OF FINANCE				
General Revenue Funds	\$345.3	\$367.4	\$22.1	6.4%
General Revenue–Dedicated Funds	\$236.1	\$239.6	\$3.5	1.5%
Federal Funds	\$12.6	\$11.1	(\$1.6)	(12.5%)
Other Funds	\$77.6	\$33.3	(\$44.3)	(57.1%)
Total, All Methods of Finance	\$671.7	\$651.4	(\$20.3)	(3.0%)
ALL FUNDS, 2020–21 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.

MAJOR FISCAL AND POLICY ISSUES AFFECTING ARTICLE VIII

All Funds for the Regulatory agencies total \$651.4 million for the 2020–21 biennium, a decrease of \$20.3 million, or 3.0 percent from the 2018–19 biennium. The decrease in funding is related primarily to the expiration of the Health Insurance Risk Pool at the Texas Department of Insurance. Pursuant to the Texas Insurance Code, Chapter 1510, the Health Insurance Risk Pool expires August 31, 2019. The regulatory agencies regulate a variety of industries, including health-related occupations, nonhealth-related occupations, securities, and pari-mutuel racing. The appropriations and indirect costs for the majority of these regulatory agencies are supported by fees generated from the industries and occupations they regulate.

HIGHLIGHTS

- The Sunset Advisory Commission is reviewing several Article VIII agencies, including the Texas Funeral Service Commission, Texas Board of Professional Geoscientists, Texas Board of Professional Land Surveying, Texas Medical Board, Texas State Board of Plumbing Examiners, Texas State Board of Examiners of Psychologists, and the State Securities Board. Sunset contingency riders are included for each agency under review.
- Funding for the Department of Insurance includes a net All Funds decrease of \$40.9 million for the 2020–21 biennium. This includes a decrease of \$42.1 million in General Revenue–Dedicated Funds and Other Funds due to the expiration of the temporary Health Insurance Risk Pool. Senate Bill 2087, Eighty-fifth Legislature, Regular Session, 2017, established the pool to assist Texas residents in accessing quality healthcare contingent upon federal law, regulation, or executive

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

- Funding for the Texas Department of Licensing and Regulation includes an increase of \$3.9 million in General Revenue Funds for the agency’s requests related to a new licensing system (\$2.7 million) and a new Human Trafficking Team (\$1.5 million) in the agency’s Inspections and Enforcement divisions. Also included are an additional 12.0 full-time-equivalent (FTE) positions for the Human Trafficking Team and an additional 5.0 FTE positions to provide critical information technology support during implementation of the new licensing system.
- Funding for the Public Utility Commission includes a net increase of \$1.9 million in All Funds for the water and wastewater rate program (includes staffing for increased enforcement activities, the increased cost of SOAH hearings, and funds for financial and managerial assistance for smaller and rural utilities), salary increases to address turnover, and utility cybersecurity oversight.
- Funding for the Texas State Board of Pharmacy includes an increase of \$7 million in General Revenue for information technology projects, the Prescription Monitoring Program, salary increases, additional full-time equivalent positions, and to replace vehicles. There is also a decrease of \$0.4 million in General Revenue Funds for onetime costs for capital budget projects, start-up costs for the agency’s Sunset legislation, and onetime funding for lump-sum annual leave payouts to retiring employees the agency received during the 2018–19 biennium. Funding includes \$9.5 million for the Prescription Monitoring Program.
- Funding for the State Office of Administrative Hearings includes a net decrease of \$1.2 million in All Funds primarily for one-time expenses for the agency’s case management system from the 2018–19 biennium. The agency’s 2020–21 biennial hourly billing rate for Interagency Contracts in Rider 7, Billing Rate for Workload, is increased to \$150.

Figure 77 shows the All Funds appropriation for each agency in Article VIII, and **Figure 78** shows the General Revenue Funds appropriation for each agency. On the subsequent pages in this chapter are more specific details about funding levels for the Texas Department of Licensing and Regulation.

FIGURE 77
ARTICLE VIII – REGULATORY, ALL FUNDS

(IN MILLIONS)				
FUNCTION	ESTIMATED/BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
State Office of Administrative Hearings	\$25.3	\$24.1	(\$1.2)	(4.7%)
Board of Chiropractic Examiners	\$1.7	\$1.8	\$0.1	5.6%
State Board of Dental Examiners	\$8.7	\$9.1	\$0.4	4.5%
Texas Funeral Service Commission	\$1.7	\$1.7	\$0.0	2.9%
Board of Professional Geoscientists	\$1.1	\$1.2	\$0.0	1.2%
Health Professions Council	\$2.2	\$2.3	\$0.1	4.4%
Office of Injured Employee Counsel	\$17.5	\$17.5	\$0.0	0.0%
Department of Insurance	\$269.5	\$228.6	(\$40.9)	(15.2%)
Office of Public Insurance Counsel	\$2.1	\$2.1	\$0.0	0.4%
Board of Professional Land Surveyors	\$1.0	\$1.0	\$0.0	0.5%
Department of Licensing and Regulation	\$71.2	\$75.1	\$3.9	5.4%
Texas Medical Board	\$27.5	\$29.4	\$1.9	6.8%
Board of Nursing	\$25.5	\$26.3	\$0.7	2.9%
Texas Optometry Board	\$1.0	\$1.0	\$0.0	2.2%
State Board of Pharmacy	\$18.7	\$25.2	\$6.6	35.2%
Executive Council of Physical and Occupational Therapy Examiners	\$2.9	\$2.8	(\$0.1)	(3.0%)
Board of Plumbing Examiners	\$5.3	\$5.3	(\$0.0)	(0.1%)
Board of Examiners of Psychologists	\$1.9	\$1.8	(\$0.1)	(3.1%)
Texas Racing Commission	\$13.3	\$14.6	\$1.4	10.2%
Texas State Securities Board	\$13.7	\$15.6	\$1.8	13.1%
Public Utility Commission	\$32.6	\$34.6	\$1.9	5.9%
Office of Public Utility Counsel	\$4.3	\$4.3	\$0.0	0.1%
Board of Veterinary Medical Examiners	\$2.8	\$2.8	(\$0.0)	(1.3%)
Subtotal, Regulatory	\$551.6	\$528.1	(\$23.5)	(4.3%)
Retirement and Group Insurance	\$106.3	\$109.8	\$3.5	3.3%
Social Security and Benefits Replacement Pay	\$25.8	\$25.9	\$0.1	0.3%
Lease Payments	\$0.3	\$0.0	(\$0.3)	(95.3%)
Subtotal, Employee Benefits and Debt Service	\$132.4	\$135.7	\$3.3	2.5%
Less Interagency Contracts	\$12.3	\$12.4	\$0.1	1.1%
Total, All Functions	\$671.7	\$651.4	(\$20.3)	(3.0%)

NOTES:

(1) Excludes Interagency Contracts

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

SOURCE: Legislative Budget Board.

FIGURE 78
ARTICLE VIII – REGULATORY, GENERAL REVENUE FUNDS

(IN MILLIONS)				
FUNCTION	ESTIMATED/ BUDGETED 2018–19	SCSHB1 2020–21	BIENNIAL CHANGE	PERCENTAGE CHANGE
State Office of Administrative Hearings	\$15.6	\$14.3	(\$1.3)	(8.3%)
Board of Chiropractic Examiners	\$1.5	\$1.7	\$0.2	13.1%
State Board of Dental Examiners	\$8.2	\$8.6	\$0.4	4.8%
Texas Funeral Service Commission	\$1.5	\$1.5	\$0.0	3.2%
Board of Professional Geoscientists	\$1.1	\$1.2	\$0.0	1.2%
Health Professions Council	\$0.0	\$0.0	\$0.0	N/A
Office of Injured Employee Counsel	\$0.0	\$0.0	\$0.0	N/A
Department of Insurance	\$81.3	\$86.4	\$5.1	6.2%
Office of Public Insurance Counsel	\$1.7	\$1.7	\$0.0	0.5%
Board of Professional Land Surveyors	\$0.9	\$0.9	\$0.0	0.6%
Department of Licensing and Regulation	\$60.5	\$64.4	\$3.9	6.4%
Texas Medical Board	\$20.3	\$23.1	\$2.8	13.9%
Board of Nursing	\$18.1	\$18.9	\$0.7	4.1%
Texas Optometry Board	\$0.9	\$0.9	\$0.0	3.2%
State Board of Pharmacy	\$16.6	\$23.2	\$6.6	39.5%
Executive Council of Physical and Occupational Therapy Examiners	\$2.8	\$2.7	(\$0.1)	(3.1%)
Board of Plumbing Examiners	\$5.2	\$5.2	\$0.0	0.0%
Board of Examiners of Psychologists	\$1.6	\$1.6	\$0.0	0.6%
Texas Racing Commission	\$0.0	\$0.0	\$0.0	N/A
Texas State Securities Board	\$13.7	\$15.6	\$1.8	13.1%
Public Utility Commission	\$26.6	\$27.4	\$0.8	3.1%
Office of Public Utility Counsel	\$3.3	\$3.3	\$0.0	0.1%
Board of Veterinary Medical Examiners	\$2.8	\$2.8	(\$0.0)	(1.3%)
Subtotal, Regulatory	\$284.3	\$305.3	\$20.9	7.4%
Retirement and Group Insurance	\$47.9	\$49.1	\$1.2	2.6%
Social Security and Benefits Replacement Pay	\$13.0	\$13.1	\$0.1	0.5%
Lease Payments	\$0.2	\$0.0	(\$0.1)	(90.5%)
Subtotal, Employee Benefits and Debt Service	\$61.0	\$62.2	\$1.2	1.9%
Total, All Functions	\$345.3	\$367.4	\$22.1	6.4%

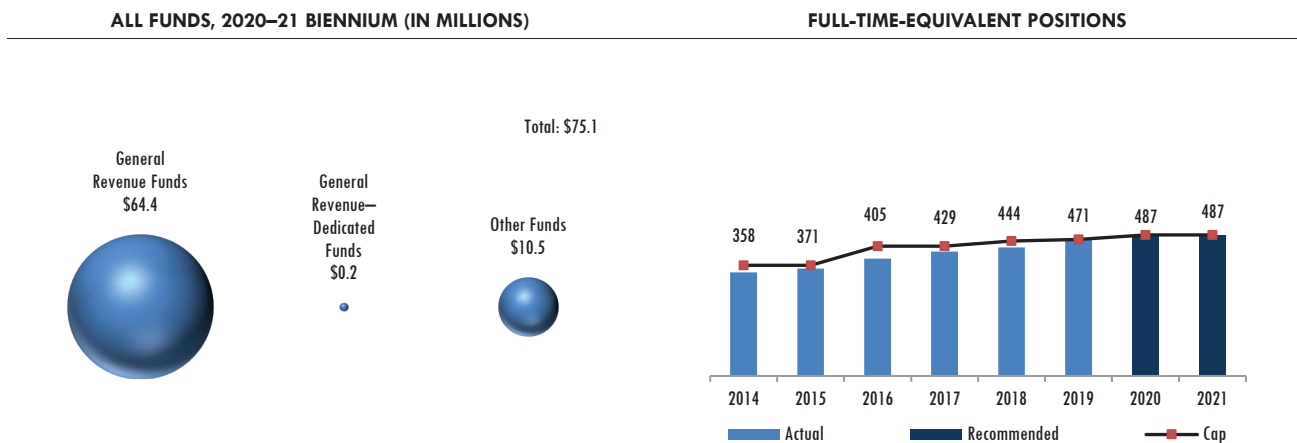
NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

SOURCE: Legislative Budget Board.

TEXAS DEPARTMENT OF LICENSING AND REGULATION

FIGURE 79
TEXAS DEPARTMENT OF LICENSING AND REGULATION, BY METHOD OF FINANCE

(IN MILLIONS)	ESTIMATED/BUDGETED	SCSHB1	BIENNIAL	PERCENTAGE
METHOD OF FINANCE	2018–19	2020–21	CHANGE	CHANGE
General Revenue Funds	\$60.5	\$64.4	\$3.9	6.4%
General Revenue–Dedicated Funds	\$0.2	\$0.2	\$0.0	10.5%
Federal Funds	\$0.0	\$0.0	\$0.0	N/A
Other Funds	\$10.5	\$10.5	\$0.0	0.0%
Total, All Methods of Finance	\$71.2	\$75.1	\$3.9	5.4%



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

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

Funding for the Texas Department of Licensing and Regulation for the 2020–21 biennium totals \$75.1 million in All Funds, including \$64.4 million in General Revenue Funds. The Department of Licensing and Regulation is under Strategic Fiscal Review.

HIGHLIGHTS

- The agency regulates 39 license programs with 219 license types and holds more than 800,000 total individual and business licenses.
- Funding includes an increase of \$1.5 million in General Revenue Funds and an additional 12.0 full-time-equivalent (FTE) positions for the agency's new Human Trafficking Team within the Inspections and Enforcement divisions.
- Funding includes an increase of \$2.0 million in General Revenue Funds for Phase I of a new, nonproprietary licensing system that can be modified and maintained by agency staff after initial deployment to meet changing business needs. Funding also includes an increase of \$0.7 million in General Revenue Funds and an additional 5.0 FTE positions for critical information technology support during implementation of the new licensing system.
- Funding includes a decrease of \$0.1 million in General Revenue Funds and a decrease of 1.0 FTE position in agency administration for onetime expenses incurred during the 2018–19 biennium for the implementation of the Centralized Accounting and Payroll/Personnel System.

- Funding includes a decrease of \$0.2 million in General Revenue Funds for onetime expenses incurred during the 2018–19 biennium for start-up costs for the regulation of programs and occupations initiated or transferred to the agency during the 2018–19 biennium, including Transportation Network Companies, Behavior Analysts, and Podiatrists.
- The agency estimates generating \$85.0 million in revenue from fees, taxes, and administrative penalties for the 2020–21 biennium.

READER'S GUIDE TO GENERAL APPROPRIATIONS BILLS

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

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

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

The following sample shows a bill pattern for the Office of Attorney General.

A **Agency names** are followed by their bill patterns, which consist of items of appropriations and riders.

B **Methods of Finance (MOF)** describe different fund types in an agency's appropriations. The four MOF categories are General Revenue Fund (GR), General Revenue-Dedicated Funds (GR-D), Federal Funds, and Other Funds. Each of these four may contain subcategories.

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

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

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

F The left footer shows the version of the appropriations bill. This is the Senate Committee on Finance version.

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

A OFFICE OF THE ATTORNEY GENERAL		For the Years Ending	
		August 31, 2020	August 31, 2021
B	Method of Financing:		
	<u>General Revenue Fund</u>		
	General Revenue Fund	\$ 119,138,948	\$ 110,798,042
	Child Support Retained Collection Account	108,952,182	108,952,182
	Attorney General Debt Collection Receipts	8,300,000	8,300,000
	General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees Account No. 8042	3,411,343	3,411,343
	Subtotal, General Revenue Fund	\$ 239,802,473	\$ 231,461,567
	<u>General Revenue Fund - Dedicated</u>		
	Compensation to Victims of Crime Account No. 469	\$ 70,643,468	\$ 70,649,951
	Compensation to Victims of Crime Auxiliary Account No. 494	161,349	161,349
	AG Law Enforcement Account No. 5006	308,431	308,431
	Sexual Assault Program Account No. 5010	10,188,546	10,188,546
	Subtotal, General Revenue Fund - Dedicated	\$ 81,301,794	\$ 81,308,277
	Federal Funds	\$ 239,790,659	\$ 240,152,107
	<u>Other Funds</u>		
	Interagency Contracts - Criminal Justice Grants	\$ 951,333	\$ 951,334
	Appropriated Receipts	33,770,328	33,770,328
	Interagency Contracts	39,959,283	39,962,714
	License Plate Trust Fund Account No. 0802, estimated	31,000	31,000
	Subtotal, Other Funds	\$ 74,711,944	\$ 74,715,376
Total, Method of Financing		<u>\$ 635,606,870</u>	<u>\$ 627,637,327</u>
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):	4,219.4	4,225.4
D	Schedule of Exempt Positions:		
E	Attorney General, Group 6	\$153,750	\$153,750
Items of Appropriation:			
A. Goal: PROVIDE LEGAL SERVICES			
Provide General Legal Services to the State and Authorized Entities.			
A.1.1. Strategy: LEGAL SERVICES		\$ 114,900,716	\$ 115,484,021
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		\$ 362,833,925	\$ 362,401,994
Establish Paternity/Obligations, Enforce Orders and Distribute Monies.			
B.1.2. Strategy: STATE DISBURSEMENT UNIT		14,375,236	14,375,236
Total, Goal B: ENFORCE CHILD SUPPORT LAW		\$ 377,209,161	\$ 376,777,230
F	A813-Sen-1-A	G	I-3
		March 30, 2019	

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

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

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

K **Performance Measure Targets** instruct agencies on specific desired results within their strategies. Targets include four types of measures: outcome; output; efficiency; and explanatory/input. The Performance Measure Targets section is also the beginning of the Rider Section of an agency bill pattern. Riders inform agencies on their use of items of appropriations. They may authorize, direct, or limit the use of items of appropriation.

OFFICE OF THE ATTORNEY GENERAL
(Continued)

C. Goal: CRIME VICTIMS' SERVICES

Review/Process Applications for Compensation to Crime Victims.

C.1.1. Strategy: CRIME VICTIMS' COMPENSATION \$ 81,428,607 \$ 81,795,624

Review Claims, Determine Eligibility/State

Liability, Pay Correctly.

C.1.2. Strategy: VICTIMS ASSISTANCE

Provide Grants & Contracts for Victims

Svcs/Sexual Asslt Victims.

41,796,052 33,296,966

Total, Goal C: CRIME VICTIMS' SERVICES \$ 123,224,659 \$ 115,092,590

D. Goal: REFER MEDICAID CRIMES

Investigate/Refer for Prosecution Fraud/Misconduct Involving Medicaid.

D.1.1. Strategy: MEDICAID INVESTIGATION

Conduct Investigation Supporting Prosecution of

Alleged Medicaid Crime.

19,567,887 \$ 19,575,608

E. Goal: ADMINISTRATIVE SUPPORT FOR SORM

Provide Administrative Support for the State Office of Risk Management.

E.1.1. Strategy: ADMINISTRATIVE SUPPORT FOR SORM

Provide Administrative Support to the State

Office of Risk Management.

704,447 \$ 707,878

Grand Total, OFFICE OF THE ATTORNEY GENERAL

\$ 635,606,870 \$ 627,637,327

Object-of-Expense Informational Listing:

Salaries and Wages \$ 248,194,529 \$ 249,332,400

Other Personnel Costs 8,242,753 8,245,153

Professional Fees and Services 99,239,600 104,090,008

Fuels and Lubricants 365,315 365,315

Consumable Supplies 1,586,457 1,586,457

Utilities 2,997,254 3,001,994

Travel 4,879,383 4,901,883

Rent - Building 24,103,547 25,603,547

Rent - Machine and Other 1,320,110 1,320,110

Other Operating Expense 174,337,439 174,713,488

Grants 57,132,775 48,583,564

Capital Expenditures 13,207,708 5,893,408

Total, Object-of-Expense Informational Listing \$ 635,606,870 \$ 627,637,327

Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:

Employee Benefits

Retirement \$ 21,825,879 \$ 21,935,008

Group Insurance 48,330,906 49,021,604

Social Security 17,414,719 17,501,792

Benefits Replacement 342,371 291,015

Subtotal, Employee Benefits \$ 87,913,875 \$ 88,749,419

Debt Service

Lease Payments \$ 346,932 \$ 240,539

Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act \$ 88,260,807 \$ 88,989,958

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

2020 2021

A. Goal: PROVIDE LEGAL SERVICES

Outcome (Results/Impact):

Delinquent State Revenue Collected 50,000,000 50,000,000

L For agencies that have a **Capital Budget rider**, it will appear as the second rider. Capital Budgets do not make additional appropriations, but rather direct the use of items of appropriation made above for specific uses. Capital Budgets direct the agency purchase or lease of vehicles, information resources, real property, or certain road construction or building repair.

OFFICE OF THE ATTORNEY GENERAL
(Continued)

A.1.1. Strategy: LEGAL SERVICES

Output (Volume):

Legal Hours Billed to Litigation and Legal Counsel	1,092,696	1,088,254
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Efficiencies:

Average Cost Per Legal Hour	96.93	96.92
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B. Goal: ENFORCE CHILD SUPPORT LAW

Outcome (Results/Impact):

Percent of Title IV-D Cases That Have Court Orders for Child Support	85%	85%
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Percent of All Current Child Support Amounts Due That Are Collected	65%	65%
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Percent of Title IV-D Cases with Arrears Due in Which Any Amount Is Paid Toward Arrears	65%	65%
---	-----	-----

Percent of Paternity Establishments for Out of Wedlock Births	96%	96%
---	-----	-----

B.1.1. Strategy: CHILD SUPPORT ENFORCEMENT

Output (Volume):

Amount of Title IV-D Child Support Collected (in Millions)	4,400	4,450
--	-------	-------

Efficiencies:

Ratio of Total Dollars Collected Per Dollar Spent	12.42	12.18
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B.1.2. Strategy: STATE DISBURSEMENT UNIT

Output (Volume):

Number of Payment Receipts Processed by the SDU Vendor	22,590,707	22,657,319
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C. Goal: CRIME VICTIMS' SERVICES

Outcome (Results/Impact):

Amount of Crime Victims' Compensation Awarded	63,363,102	63,724,550
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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.

	2020	2021
a. Acquisition of Information Resource Technologies		
(1) Child Support Hardware/Software Enhancements	\$ 100,000	\$ 100,000
(2) Child Support TXCSES 2.0 Managed Services	5,000,000	5,000,000
(3) Child Support TXCSES 2.0 Integrated Infrastructure Services	7,200,000	0
	<u>12,300,000</u>	<u>5,100,000</u>
Total, Acquisition of Information Resource Technologies	\$ 12,300,000	\$ 5,100,000
b. Transportation Items		
(1) Child Support Motor Vehicles	\$ 312,000	\$ 384,000
c. Data Center Consolidation		
(1) Data Center Consolidation	\$ 50,475,531	\$ 57,828,957
d. Centralized Accounting and Payroll/Personnel System (CAPPS)		
(1) Converted PeopleSoft Licenses	\$ 62,345	\$ 62,345
(2) CAPPS Transition Phase II	2,813,179	2,953,817
	<u>2,875,524</u>	<u>3,016,162</u>
Total, Centralized Accounting and Payroll/Personnel System (CAPPS)	\$ 2,875,524	\$ 3,016,162
Total, Capital Budget	<u>\$ 65,963,055</u>	<u>\$ 66,329,119</u>

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)

M

Method of Financing (Capital Budget):

General Revenue Fund	\$	26,061,474	\$	26,466,192
GR Dedicated - Compensation to Victims of Crime Account No. 469	\$	304,598	\$	327,919
Federal Funds	\$	38,942,087	\$	38,867,769
<u>Other Funds</u>				
Appropriated Receipts	\$	493,677	\$	493,677
Interagency Contracts		161,219		173,562
Subtotal, Other Funds	\$	654,896	\$	667,239
Total, Method of Financing	\$	65,963,055	\$	66,329,119

N

3. Cost Allocation, Reporting Requirement. The Office of the Attorney General is directed to continue an accounting and billing system by which the costs of legal services provided to each agency may be determined. This cost information shall be provided to the Legislative Budget Board and the Governor within 60 days after the close of the fiscal year.

4. Child Support Collections.

- a. The Office of the Attorney General shall deposit Child Support Retained Collections in a special account in the Comptroller's Office. The account shall be called the Child Support Retained Collection Account. Child Support Retained Collections shall include the state share of funds collected by the Office of the Attorney General which were previously paid by the State as Aid to Families with Dependent Children (AFDC) or Temporary Assistance for Needy Families (TANF) or foster care payments, all child support enforcement incentive payments received from the federal government, and all revenues specifically established by statute on a fee or service-provided basis and pertaining to the Child Support Enforcement Program.
- b. Amounts earned as interest on, and allocated by the Comptroller of Public Accounts to, the Child Support Trust Fund No. 994, in excess of \$808,289 in fiscal year 2020 and \$808,289 in fiscal year 2021, shall be transferred monthly by the Comptroller of Public Accounts to such funds from the General Revenue Fund, and all amounts so transferred are appropriated to the Office of the Attorney General for use during the 2020-21 biennium, in addition to the amounts otherwise appropriated herein. Amounts transferred pursuant to this provision shall be shown as a separate, individual entry in the Method of Finance in all standard reports regularly utilizing a method of finance which are submitted to the Governor's Office or the Legislative Budget Board.
- c. The Office of the Attorney General, in cooperation with the Comptroller of Public Accounts, shall develop and maintain such cost centers and/or sub accounts within the Child Support Trust Fund No. 994 and/or the Child Support Retained Collection Account as may be determined necessary or appropriate to separately account for, and allocate the interest earned on, the various sources for receipts deposited to, and types of expenditures made from such funds. The Comptroller of Public Accounts shall separately allocate interest earned by the State to each such cost center and/or subaccount, or to such groupings thereof as may be designated by the Office of the Attorney General for purposes of reporting interest earned to the federal government.
- d. The Comptroller of Public Accounts is directed to transfer and carry forward all the balances of funds in the Child Support Trust Fund No. 994 and the Child Support Retained Collection Account as of August 31, 2019, as such funds are to be available for use in fiscal year 2020. Any balances in the Child Support Trust Fund No. 994 and the Child Support Retained Collection Account on hand as of August 31, 2020, shall be carried forward in such funds as funding sources for the appropriation for fiscal year 2021.
- e. In addition to the amounts otherwise appropriated for Strategy B.1.1, Child Support Enforcement, all funds received from the federal government as reimbursement for the costs and fees paid to counties, district or county clerks, sheriffs or constables pursuant to the provisions of Chapter 231 of the Texas Family Code are appropriated to the Office of the Attorney General for use during the 2020-21 biennium.

GENERAL APPROPRIATIONS BILL COMPARISONS

FIGURE B-1
ALL FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/ BUDGETED 2018-19 (1)	SENATE BILL 1, AS INTRODUCED 2020-21	COMPARISON OF SB1 AS INTRODUCED TO ESTIMATED/BUDGETED		SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 (SCSHB1) 2020-21	COMPARISON OF SCSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF SCSHB1 TO SB1 AS INTRODUCED	
			\$ CHANGE	% CHANGE		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
Article I – General Government	\$7,503.3	\$6,185.7	(\$1,317.6)	(17.6%)	\$6,971.9	(\$531.5)	(7.1)%	\$786.2	12.7%
Article II – Health and Human Services	\$83,584.2	\$84,823.9	\$1,239.7	1.5%	\$84,655.8	\$1,071.6	1.3%	(\$168.1)	(0.2)%
Article III – Agencies of Education	\$81,229.0	\$88,577.3	\$7,348.3	9.0%	\$92,151.1	\$10,922.0	13.4%	\$3,573.7	4.0%
Public Education	\$60,492.7	\$67,498.9	\$7,006.2	11.6%	\$70,595.0	\$10,102.3	16.7%	\$3,096.2	4.6%
Higher Education	\$20,736.3	\$21,078.4	\$342.1	1.6%	\$21,556.1	\$819.8	4.0%	\$477.7	2.3%
Article IV – Judiciary	\$857.1	\$835.5	(\$21.6)	(2.5)%	\$874.0	\$17.0	2.0%	\$38.5	4.6%
Article V – Public Safety and Criminal Justice	\$18,378.5	\$15,474.4	(\$2,904.1)	(15.8)%	\$15,998.8	(\$2,379.7)	(12.9)%	\$524.4	3.4%
Article VI – Natural Resources	\$6,566.0	\$8,831.8	\$2,265.8	34.5%	\$8,928.0	\$2,362.1	36.0%	\$96.3	1.1%
Article VII – Business and Economic Development	\$36,587.5	\$37,099.6	\$512.1	1.4%	\$37,063.9	\$476.4	1.3%	(\$35.7)	(0.1)%
Article VIII – Regulatory	\$671.7	\$636.1	(\$35.5)	(5.3)%	\$651.4	(\$20.3)	(3.0)%	\$15.3	2.4%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Article X – Legislature	\$392.8	\$403.5	\$10.6	2.7%	\$403.5	\$10.6	2.7%	\$0.0	0.0%
Total, All Functions	\$235,770.2	\$242,867.8	\$7,097.6	3.0%	\$247,698.4	\$11,928.2	5.1%	\$4,830.6	2.0%

NOTES:

(1) Estimated/Budgeted 2018-19 includes certain anticipated supplemental spending adjustments in Article 2, but does not reflect all appropriations made in the Committee Substitute for Senate Bill 500.

(2) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

FIGURE B-2
GENERAL REVENUE FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/ BUDGETED 2018-19 (1)	SENATE BILL 1, AS INTRODUCED		COMPARISON OF SBI AS INTRODUCED TO ESTIMATED/BUDGETED		SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 (SCSHB1) 2020-21	COMPARISON OF SCSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF SCSHB1 TO SBI AS INTRODUCED	
		2020-21	2020-21	\$ CHANGE	% CHANGE		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
Article I – General Government	\$3,406.9	\$3,493.9	\$87.0	2.6%	\$3,798.1	\$391.2	11.5%	\$304.2	8.7%	
Article II – Health and Human Services	\$34,716.3	\$33,606.9	(\$1,109.4)	(3.2%)	\$33,795.1	(\$921.2)	(2.7%)	\$188.2	0.6%	
Article III – Agencies of Education	\$56,458.4	\$60,989.6	\$4,531.3	8.0%	\$64,473.1	\$8,014.8	14.2%	\$3,483.5	5.7%	
Public Education	\$41,548.7	\$45,835.3	\$4,286.5	10.3%	\$48,906.3	\$7,357.6	17.7%	\$3,071.1	6.7%	
Higher Education	\$14,909.7	\$15,154.3	\$244.6	1.6%	\$15,566.8	\$657.1	4.4%	\$412.5	2.7%	
Article IV – Judiciary	\$490.8	\$502.4	\$11.7	2.4%	\$520.7	\$30.0	6.1%	\$18.3	3.6%	
Article V – Public Safety and Criminal Justice	\$11,322.1	\$11,505.1	\$182.9	1.6%	\$12,051.4	\$729.2	6.4%	\$546.3	4.7%	
Article VI – Natural Resources	\$910.6	\$870.4	(\$40.2)	(4.4%)	\$936.8	\$26.2	2.9%	\$66.4	7.6%	
Article VII – Business and Economic Development	\$496.5	\$479.9	(\$16.6)	(3.4%)	\$483.5	(\$13.0)	(2.6%)	\$3.6	0.8%	
Article VIII – Regulatory	\$345.3	\$352.9	\$7.5	2.2%	\$367.4	\$22.1	6.4%	\$14.6	4.1%	
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A	
Article X – Legislature	\$392.7	\$403.3	\$10.5	2.7%	\$403.3	\$10.5	2.7%	\$0.0	0.0%	
Total, All Functions	\$108,539.7	\$112,204.4	\$3,664.7	3.4%	\$116,829.5	\$8,289.8	7.6%	\$4,625.1	4.1%	

NOTE: (1) Estimated/Budgeted 2018-19 includes certain anticipated supplemental spending adjustments in Article 2, but does not reflect all appropriations made in the Committee Substitute for Senate Bill 500.

SOURCE: Legislative Budget Board.

FIGURE B-3
GENERAL REVENUE-DEDICATED FUNDS

(IN MILLIONS)

FUNCTION	ESTIMATED/ BUDGETED 2018-19 (1)	SENATE BILL 1, AS INTRODUCED 2020-21	COMPARISON OF SB1 AS INTRODUCED TO ESTIMATED/BUDGETED		SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 (SCSHB1) 2020-21	COMPARISON OF SCSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF SCSHB1 TO SB1 AS INTRODUCED	
			\$ CHANGE	% CHANGE		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
Article I – General Government	\$858.5	\$545.0	(\$313.5)	(36.5%)	\$551.4	(\$307.1)	(35.8%)	\$6.3	1.2%
Article II – Health and Human Services	\$566.9	\$515.6	(\$51.2)	(9.0%)	\$525.2	(\$41.6)	(7.3%)	\$9.6	1.9%
Article III – Agencies of Education	\$2,822.5	\$2,708.6	(\$113.9)	(4.0%)	\$2,708.6	(\$113.9)	(4.0%)	(\$0.0)	(0.0%)
Public Education	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Higher Education	\$2,822.5	\$2,708.6	(\$113.9)	(4.0%)	\$2,708.6	(\$113.9)	(4.0%)	\$0.0	0.0%
Article IV – Judiciary	\$141.1	\$165.6	\$24.5	17.4%	\$185.8	\$44.7	31.7%	\$20.2	12.2%
Article V – Public Safety and Criminal Justice	\$42.0	\$35.2	(\$6.8)	(16.1%)	\$36.0	(\$6.0)	(14.3%)	\$0.8	2.2%
Article VI – Natural Resources	\$1,366.6	\$1,282.4	(\$84.3)	(6.2%)	\$1,293.5	(\$73.2)	(5.4%)	\$11.1	0.9%
Article VII – Business and Economic Development	\$571.9	\$568.9	(\$3.0)	(0.5%)	\$593.3	\$21.4	3.7%	\$24.4	4.3%
Article VIII – Regulatory	\$236.1	\$238.8	\$2.7	1.2%	\$239.6	\$3.5	1.5%	\$0.8	0.3%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Total, All Functions	\$6,605.5	\$6,060.1	(\$545.4)	(8.3%)	\$6,133.4	(\$472.1)	(7.1%)	\$73.3	1.2%

NOTES: (1) Estimated/Budgeted 2018-19 includes certain anticipated supplemental spending adjustments in Article 2, but does not reflect all appropriations made in the Committee Substitute for Senate Bill 500.

SOURCE: Legislative Budget Board.

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

(IN MILLIONS)

FUNCTION	ESTIMATED/ BUDGETED 2018-19 (1)	SENATE BILL 1, AS INTRODUCED		COMPARISON OF SB1 AS INTRODUCED TO ESTIMATED/BUDGETED		SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 (SCSHB1) 2020-21	COMPARISON OF SCSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF SCSHB1 TO SB1 AS INTRODUCED	
		2020-21	\$ CHANGE	% CHANGE	\$ CHANGE		% CHANGE	\$ CHANGE	% CHANGE	
Article I – General Government	\$4,265.4	\$4,038.9	(\$226.5)	(5.3%)	\$4,349.5	\$84.1	2.0%	\$310.6	7.7%	
Article II – Health and Human Services	\$35,283.2	\$34,122.6	(\$1,160.6)	(3.3%)	\$34,320.4	(\$962.8)	(2.7%)	\$197.8	0.6%	
Article III – Agencies of Education	\$59,280.9	\$63,698.3	\$4,417.4	7.5%	\$67,181.7	\$7,900.9	13.3%	\$3,483.5	5.5%	
Public Education	\$41,548.7	\$45,835.3	\$4,286.5	10.3%	\$48,906.3	\$7,357.6	17.7%	\$3,071.1	6.7%	
Higher Education	\$17,732.2	\$17,863.0	\$130.8	0.7%	\$18,275.4	\$543.2	3.1%	\$412.4	2.3%	
Article IV – Judiciary	\$631.8	\$668.0	\$36.2	5.7%	\$706.5	\$74.7	11.8%	\$38.5	5.8%	
Article V – Public Safety and Criminal Justice	\$11,364.1	\$11,540.3	\$176.2	1.6%	\$12,087.4	\$723.2	6.4%	\$547.1	4.7%	
Article VI – Natural Resources	\$2,277.2	\$2,152.8	(\$124.4)	(5.5%)	\$2,230.3	(\$46.9)	(2.1%)	\$77.5	3.6%	
Article VII – Business and Economic Development	\$1,068.4	\$1,048.7	(\$19.7)	(1.8%)	\$1,076.8	\$8.4	0.8%	\$28.1	2.7%	
Article VIII – Regulatory	\$581.4	\$591.7	\$10.3	1.8%	\$607.0	\$25.6	4.4%	\$15.4	2.6%	
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A	
Article X – Legislature	\$392.7	\$403.3	\$10.5	2.7%	\$403.3	\$10.5	2.7%	\$0.0	0.0%	
Total, All Functions	\$115,145.1	\$118,264.4	\$3,119.3	2.7%	\$122,962.9	\$7,817.7	6.8%	\$4,698.4	4.0%	

NOTE: (1) Estimated/Budgeted 2018-19 includes certain anticipated supplemental spending adjustments in Article 2, but does not reflect all appropriations made in the Committee Substitute for Senate Bill 500.

SOURCE: Legislative Budget Board.

**FIGURE B–5
FEDERAL FUNDS**

(IN MILLIONS)

FUNCTION	ESTIMATED/ BUDGETED 2018–19 (1)	SENATE BILL 1, AS INTRODUCED 2020–21		COMPARISON OF SB1 AS INTRODUCED TO ESTIMATED/BUDGETED		SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 (SCSHB1) 2020–21		COMPARISON OF SCSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF SCSHB1 TO SB1 AS INTRODUCED	
				\$ CHANGE	% CHANGE			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
Article I – General Government	\$1,264.2	\$1,317.4	\$53.2	4.2%	\$1,317.4	\$53.2	4.2%	\$0.0	0.0%		
Article II – Health and Human Services	\$46,704.3	\$49,566.3	\$2,862.0	6.1%	\$49,200.4	\$2,496.1	5.3%	(\$365.9)	(0.7%)		
Article III – Agencies of Education	\$10,802.5	\$11,020.6	\$218.1	2.0%	\$11,020.6	\$218.1	2.0%	\$0.0	0.0%		
Public Education	\$10,519.7	\$10,727.2	\$207.5	2.0%	\$10,727.2	\$207.5	2.0%	\$0.0	0.0%		
Higher Education	\$282.8	\$293.4	\$10.6	3.7%	\$293.4	\$10.5	3.7%	\$0.0	0.0%		
Article IV – Judiciary	\$4.0	\$3.5	(\$0.5)	(12.4%)	\$3.5	(\$0.5)	(12.4%)	\$0.0	0.0%		
Article V – Public Safety and Criminal Justice	\$6,748.5	\$3,766.6	(\$2,982.0)	(44.2%)	\$3,755.8	(\$2,992.8)	(44.3%)	(\$10.8)	(0.3%)		
Article VI – Natural Resources	\$3,823.6	\$6,307.3	\$2,483.8	65.0%	\$6,307.3	\$2,483.8	65.0%	\$0.0	0.0%		
Article VII – Business and Economic Development	\$14,715.8	\$15,080.1	\$364.3	2.5%	\$15,174.2	\$458.4	3.1%	\$94.1	0.6%		
Article VIII – Regulatory	\$12.6	\$11.1	(\$1.6)	(12.5%)	\$11.1	(\$1.6)	(12.5%)	\$0.0	0.0%		
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A		
Article X – Legislature	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A		
Total, All Functions	\$84,075.6	\$87,072.9	\$2,997.3	3.6%	\$86,790.2	\$2,714.7	3.2%	(\$282.6)	(0.3%)		

NOTE: (1) Estimated/Budgeted 2018–19 includes certain anticipated supplemental spending adjustments in Article 2, but does not reflect all appropriations made in the Committee Substitute for Senate Bill 500.

SOURCE: Legislative Budget Board.

**FIGURE B–6
OTHER FUNDS**

(IN MILLIONS)

FUNCTION	ESTIMATED/ BUDGETED 2018–19 (1)	SENATE BILL 1, AS INTRODUCED		COMPARISON OF SB1 AS INTRODUCED TO ESTIMATED/BUDGETED		SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 (SCSHB1) 2020–21	COMPARISON OF SCSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF SCSHB1 TO SB1 AS INTRODUCED	
		2020–21	2020–21	\$ CHANGE	% CHANGE		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
Article I – General Government	\$1,973.7	\$829.4	(\$1,144.3)	(58.0%)	\$1,305.0	(\$668.7)	(33.9%)	\$475.6	57.3%	
Article II – Health and Human Services	\$1,596.7	\$1,135.0	(\$461.7)	(28.9%)	\$1,135.0	(\$461.7)	(28.9%)	\$0.0	0.0%	
Article III – Agencies of Education	\$11,145.7	\$13,858.5	\$2,712.8	24.3%	\$13,948.7	\$2,803.1	25.1%	\$90.3	0.7%	
Public Education	\$8,424.4	\$10,936.4	\$2,512.1	29.8%	\$10,961.5	\$2,537.1	30.1%	\$25.1	0.2%	
Higher Education	\$2,721.3	\$2,922.1	\$200.8	7.4%	\$2,987.3	\$265.9	9.8%	\$65.1	2.2%	
Article IV – Judiciary	\$221.2	\$164.0	(\$57.2)	(25.9%)	\$164.0	(\$57.2)	(25.9%)	(\$0.0)	(0.0%)	
Article V – Public Safety and Criminal Justice	\$265.9	\$167.5	(\$98.3)	(37.0%)	\$155.7	(\$110.2)	(41.4%)	(\$11.9)	(7.1%)	
Article VI – Natural Resources	\$465.2	\$371.7	(\$93.5)	(20.1%)	\$390.4	(\$74.8)	(16.1%)	\$18.8	5.0%	
Article VII – Business and Economic Development	\$20,803.3	\$20,970.8	\$167.4	0.8%	\$20,812.9	\$9.6	0.0%	(\$157.9)	(0.8%)	
Article VIII – Regulatory	\$77.6	\$33.4	(\$44.2)	(57.0%)	\$33.3	(\$44.3)	(57.1%)	(\$0.1)	(0.3%)	
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A	
Article X – Legislature	\$0.1	\$0.2	\$0.1	133.0%	\$0.2	\$0.1	133.0%	\$0.0	0.0%	
Total, All Functions	\$36,549.4	\$37,530.5	\$981.0	2.7%	\$37,945.2	\$1,395.8	3.8%	\$414.8	1.1%	

NOTES:

(1) Estimated/Budgeted 2018–19 includes certain anticipated supplemental spending adjustments in Article 2, but does not reflect all appropriations made in the Committee Substitute for Senate Bill 500.

(2) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

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

(IN MILLIONS)

FUNCTION	ESTIMATED/ BUDGETED 2018-19 (1)	SENATE BILL 1, AS INTRODUCED 2020-21	COMPARISON OF SB1 AS INTRODUCED TO ESTIMATED/BUDGETED		SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL 1 (SCSHB1) 2020-21	COMPARISON OF SCSHB1 TO ESTIMATED/BUDGETED		COMPARISON OF SCSHB1 TO SB1 AS INTRODUCED	
			\$ CHANGE	% CHANGE		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
Article I – General Government	\$6,239.1	\$4,868.3	(\$1,370.8)	(22.0%)	\$5,654.5	(\$584.6)	(9.4%)	\$786.2	16.1%
Article II – Health and Human Services	\$36,879.9	\$35,257.6	(\$1,622.3)	(4.4%)	\$35,455.4	(\$1,424.5)	(3.9%)	\$197.8	0.6%
Article III – Agencies of Education	\$70,426.5	\$77,556.7	\$7,130.2	10.1%	\$81,130.5	\$10,704.0	15.2%	\$3,573.7	4.6%
<i>Public Education</i>									
<i>Higher Education</i>									
Article IV – Judiciary	\$49,973.1	\$56,771.7	\$6,798.6	13.6%	\$59,867.8	\$9,894.8	19.8%	\$3,096.2	5.5%
	\$20,453.5	\$20,785.0	\$331.5	1.6%	\$21,262.7	\$809.2	4.0%	\$477.6	2.3%
Article V – Public Safety and Criminal Justice	\$853.0	\$832.0	(\$21.1)	(2.5%)	\$870.5	\$17.5	2.0%	\$38.5	4.6%
	\$11,630.0	\$11,707.8	\$77.8	0.7%	\$12,243.0	\$613.0	5.3%	\$535.2	4.6%
Article VI – Natural Resources	\$2,742.4	\$2,524.4	(\$218.0)	(7.9%)	\$2,620.7	(\$121.7)	(4.4%)	\$96.3	3.8%
Article VII – Business and Economic Development	\$21,871.7	\$22,019.5	\$147.8	0.7%	\$21,889.7	\$18.0	0.1%	(\$129.8)	(0.6%)
Article VIII – Regulatory	\$659.1	\$625.1	(\$34.0)	(5.2%)	\$640.3	(\$18.7)	(2.8%)	\$15.3	2.4%
Article IX – General Provisions	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	N/A	\$0.0	N/A
Article X – Legislature	\$392.8	\$403.5	\$10.6	2.7%	\$403.5	\$10.6	2.7%	\$0.0	0.0%
Total, All Functions	\$151,694.6	\$155,794.9	\$4,100.3	2.7%	\$160,908.1	\$9,213.5	6.1%	\$5,113.2	3.3%

NOTES:

(1) Estimated/Budgeted 2018-19 includes certain anticipated supplemental spending adjustments in Article 2, but does not reflect all appropriations made in the Committee Substitute for Senate Bill 500.

(2) Excludes Interagency Contracts.

SOURCE: Legislative Budget Board.

