

Senate Finance Committee Decision Document  
 Senator Taylor, Workgroup Chair on Article III  
 Members: Senators Bettencourt, Perry, and West

Decisions as of February 25, 2019 5:00 pm

LBB Manager: Andy MacLaurin

Article III Public Education Total, Article III Public Education Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
<b>Texas Education Agency (703)</b>								
Total, Outstanding Items / Tentative Decisions	\$ 115,012,054	\$ 115,012,054	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	6.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Texas School for the Blind and Visually Impaired (771)</b>								
Total, Outstanding Items / Tentative Decisions	\$ 6,768,516	\$ 6,768,516	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	6.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Texas School for the Deaf (772)</b>								
Total, Outstanding Items / Tentative Decisions	\$ 29,837,059	\$ 29,837,059	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	14.1	14.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Special Provisions for the School for the Blind and Visually Impaired and School for the Deaf (S20)</b>								
Total, Outstanding Items / Tentative Decisions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Teacher Retirement System (323)</b>								
Total, Outstanding Items / Tentative Decisions	\$ 1,088,967,411	\$ 1,129,867,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	0.0	127.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Optional Retirement Program (32C)</b>								
Total, Outstanding Items / Tentative Decisions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Article III Public Education Total, Article III Public Education Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 <u>2020-21 Biennial Total</u>		Pended Items <u>2020-21 Biennial Total</u>		Adopted <u>2020-21 Biennial Total</u>		Article XI <u>2020-21 Biennial Total</u>	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
<b>Total, Outstanding Items / Tentative Decisions</b>	\$ 1,240,585,040	\$ 1,281,485,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total GR &amp; GR-Ded Adopted Items less Cost-out Adjustments</b>	\$ 1,240,585,040	\$ 1,281,485,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total, Full-time Equivalent / Tentative Decisions</b>	26.1	153.1	0.0	0.0	0.0	0.0	0.0	0.0

Article III Public Education Texas Education Agency (703) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
<b>Technical Adjustments:</b>								
1. Update Rider 24, Appropriations Limited Revenue Collections, to reflect updated estimates of other direct and indirect costs. Fiscal year 2020 will be changed from \$3,172,180 to \$2,722,435, and fiscal year 2021 will be changed from \$3,150,581 to \$2,718,914.								
<b>Agency Requests:</b>								
1. TEA's Safe and Healthy Schools Initiative was developed in response to school shootings in Santa Fe and other communities. The initiative would have the following components: (1) mental health supports and positive school culture (\$37.0 million and 6.0 FTEs); (2) facility safety and hardening (\$10.0 million); (3) emergency response coordination and auditing (\$2.5 million); and (4) school health and safety pilot grants (\$5.0 million).  Senate Bill 500 as Introduced provides \$100.0 million to school districts and charters for hardening of school facilities.	\$ 54,478,500	\$ 54,478,500						
2. Special Education Supports: Grants to LEAs for compensatory services to students with special education needs. These funds would provide school districts with additional resources to support compensatory services for students who became eligible for special education services as a result of TEA's corrective action plan.	\$ 50,478,500	\$ 50,478,500						

Article III Public Education Texas Education Agency (703) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 <u>2020-21 Biennial Total</u>		Pended Items <u>2020-21 Biennial Total</u>		Adopted <u>2020-21 Biennial Total</u>		Article XI <u>2020-21 Biennial Total</u>	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
<p>3. Windham School District Program Expansion: Funding initiatives include: a six percent teacher/staff pay raise (\$5.5 million), expanding female offender vocational programs (\$2.3 million), increased funding for industry certification programs (\$0.6 million), year-round school programming (\$1.0 million), and expanding apprenticeship programs (\$0.7 million).</p> <p>Senate Bill 1 as Introduced provides \$104.4 million in General Revenue Funds in the 2020-21 biennium for Windham School District.</p>	\$ 10,055,054	\$ 10,055,054						
<p>4. Rider Request: The agency requests amendment of Rider 3, Foundation School Program Funding, to authorize the Commissioner to transfer FSP funds from the second year of the biennium to the first to the extent necessary to avoid reductions in state aid.</p> <p>Currently, the Commissioner is required to have LBB and Governor's Office approval before making such a transfer. Such transfers were approved moving \$201 million of FY 2017 funds into FY 2016, and \$101 million of FY 2019 funds into FY 2018.</p>								

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	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
5. Rider Request: The agency requests amendment of Rider 39, Capital Budget Expenditures from Federal and Other Funding Sources, exempting TEA from Article IX capital budget limitations for major state data system revision projects to broaden its applicability to any projects.								
6. Rider Request: New rider that would provide the agency with authority to transfer federal funds from a non-capital budget item to an existing or new capital budget item for the implementation of a unanticipated project, provided that the new project is 100 percent federally funded.								
7. Rider Request: Agency requests unexpended balance authority within the biennium for several non-FSP programs.								
8. Exempt Salary Request: The agency requests authority, but no associated funding, to increase the salary of the agency's Chief Investment Officer from \$384,375, to \$416,401.								
<b>Workgroup Revisions and Additions:</b>								
1. None.								
<b>Total, Outstanding Items / Tentative Decisions</b>	<b>\$ 115,012,054</b>	<b>\$ 115,012,054</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total, Full-time Equivalents / Tentative Decisions</b>	6.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0

Article III Public Education Texas School for the Blind and Visually Impaired (771) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
<b>Agency Requests:</b>								
1. General Revenue Operating Funding - GR to replace Appropriated Receipt base funding for residential programming, short-term programs, related and support services, statewide outreach, and campus operations.  During the 2018-19 biennium, the agency collected \$3.7 million less in Appropriated Receipts than were estimated in the 2018-19 GAA. Senate Bill 1 includes 2020-21 Appropriated Receipts funding at the actual collected 2018-19 levels. The agency has offset some of this decrease by drawing additional trust funds and is requesting GR funding to replace the remaining difference.	\$ 3,000,000	\$ 3,000,000						
2. Salary Increases for Direct Care Employees - Funding for an average 10.0 percent pay increase for Residential Specialists, Teacher Aides, and Nurses to decrease turnover and fill vacancies. (The agency indicates turnover rates for Teacher Aides and Residential Specialists II and IV are 18.9 percent, 15.0 percent, and 18.2 percent, respectively.)	\$ 1,282,574	\$ 1,282,574						
3. Campus Safety and Security - Funding for security and safety upgrades, including security cameras, security utility vehicles, communications equipment, fencing and gate upgrades, rekeying of the campus, lighting upgrades, and cybersecurity hardware and software.	\$ 753,500	\$ 753,500						
4. CAPPs Implementation - Additional 6.0 FTEs in accounting, budget, procurement, and IT departments for transition to CAPPs financials.	\$ 732,442	\$ 732,442						

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	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
5. Rider Request: Amend Rider 5, Cash Flow Contingency, and appropriate additional GR each fiscal year in of the 2020-21 biennium for TSBVI to use temporarily while waiting for federal reimbursement. Current rider only allows transfers of existing GR from the second to first year of the biennium and repays the transferred amount with federal reimbursements.	\$ 1,000,000	\$ 1,000,000						
<b>Workgroup Revisions and Additions:</b>								
1. None.								
<b>Total, Outstanding Items / Tentative Decisions</b>	<b>\$ 6,768,516</b>	<b>\$ 6,768,516</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total, Full-time Equivalentents / Tentative Decisions</b>	6.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0

Article III Public Education Texas School for the Deaf (772) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
<b>Agency Requests:</b>								
1. Additional Staff for Special Education Direct Services and Safety: The agency requests additional staff for classroom instruction, direct student support, and school safety. TSD requests 8.2 FTEs and \$952,522 for nine additional teaching and special education support staff.  For school safety, agency requests \$718,539 for 5.9 additional FTEs, including a campus safety and risk management director, school resource and security officers, and a mental health counselor.	\$ 1,671,062	\$ 1,671,062						
2. Campus Security Equipment and Furniture: Agency requests \$600,000 to replace student dorm and classroom furniture, \$500,000 for furniture for the newly constructed Toddler Learning Center and Central Services Building, and \$335,000 for security equipment, including door locks, electronic key-card access, cameras, and communication equipment.  From the amounts requested in this item, \$325,000 would be transferred to the Texas Facilities Commission, which manages TSD facilities.	\$ 1,435,000	\$ 1,435,000						



Article III Public Education Texas School for the Deaf (772) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
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	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
3. Transportation Items: TSD requests \$45,000 for vehicles, including \$20,000 for one utility truck and \$25,000 to purchase a 77-passenger school bus for daily transportation of local students.  Senate Bill 1 continues base GR funding of \$225,000, which is \$25,000 less than the cost of two 77-passenger vehicles TSD reports needing replacement in the upcoming biennium.	\$ 45,000	\$ 45,000						
4. Staff Salary Increase: Agency requests \$580,788 to grant 5 percent across-the-board salary increases to bus drivers, day and night residential educators, cafeteria, behavior support, teacher aides, security, and IT staff. According to TSD, current turnover rates for those employees are 15.4 percent, 29.0 percent, 28.6 percent, 26.3 percent, 14.3 percent, 10.8 percent, and 29.6 percent, respectively.	\$ 580,788	\$ 580,788						

Article III Public Education Texas School for the Deaf (772) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
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	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
5. Master Plan Phase 2, New and Repurposed Facilities: TSD requests \$2,277,913 for Career and Technology (CTE) program classroom expansion, \$4,898,849 for rehabilitation of the Clinger Elementary Multipurpose Activity Space, \$9,258,959 for renovation of the Seeger Gymnasium, \$6,880,604 for construction of transitional housing for students aged 18-22, and \$2,788,884 for improvements to pedestrian and vehicle traffic circulation on campus.  Master Plan Phase 1 projects, including the Toddler Learning Center and Central Services Building, were funded with \$14.6 million in Economic Stabilization Funds in the 2018-19 biennium. If the 2020-21 request is funded, amounts would be transferred to Texas Facilities Commission (TFC), which manages TSD facilities.	\$ 26,105,209	\$ 26,105,209						
6. Exempt Salary Request: The agency requests an authority only increase in the Superintendent's salary cap from \$148,908 (Group 4) to \$171,688 (Group 5).								
<b>Workgroup Revisions and Additions:</b>								
1. None.								
<b>Total, Outstanding Items / Tentative Decisions</b>	<b>\$ 29,837,059</b>	<b>\$ 29,837,059</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total, Full-time Equivalent / Tentative Decisions</b>	14.1	14.1	0.0	0.0	0.0	0.0	0.0	0.0

Article III Public Education Special Provisions for the School for the Blind and Visually Impaired and the School for the Deaf (S20) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 <u>2020-21 Biennial Total</u>		Pended Items <u>2020-21 Biennial Total</u>		Adopted <u>2020-21 Biennial Total</u>		Article XI <u>2020-21 Biennial Total</u>	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
<b>Workgroup Revisions and Additions:</b>								
1. None.								
<b>Total, Outstanding Items / Tentative Decisions</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total, Full-time Equivalent / Tentative Decisions</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Article III Public Education Teacher Retirement System (323) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
<b>Agency Requests:</b>								
1. Retirement Contribution Rate Increase. Funding sufficient to provide a cumulative 1.82 contribution rate increase in the 2020-21 biennium to make the Pension Trust Fund actuarially sound. (Note: \$1.1 billion request reflects TRS' estimate of the GR cost of the requested state contribution rate increase.)	\$ 1,088,967,411	\$ 1,088,967,411						
2. Investment Management Staff. Agency requests \$10.5 million in Pension Trust Funds (Other Funds) for 30.0 additional FTEs related to investment management.		\$ 10,500,000						
3a. Customer Service and Administrative Support Staff: The agency requests \$16.0 million in Pension Trust Funds (Other Funds) for 97.0 additional FTEs, including 75.0 FTEs for Administrative Support and 22.0 for Benefits Services.  Recommendations in Senate Bill 1 as Introduced include an increase of 14.0 FTEs for Administrative Support and 29.0 FTEs for Benefits Services that were approved by the TRS Board during the 2018-19 biennium.		\$ 16,000,000						
3b. Building Renovation: TRS requests \$8.0 million in Pension Trust Funds (Other Funds) for renovation of the agency's headquarters to create additional work stations and meeting rooms and to consolidate call center operations.		\$ 8,000,000						

Article III Public Education Teacher Retirement System (323) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
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	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
4. New Rider Request: Augmenting Customer Service Delivery and Investment Trust Performance. TRS requests a new rider authorizing the agency to increase its FTE count above the GAA limitation by fiduciary finding of the TRS Board. Rider would require TRS to provide justification for FTEs and annual progress reports to LBB and the Governor.								
5. New Rider Request and Appropriation: Unexpended Balance for Pension Trust Fund Capital Budget Items. Agency requests new rider granting UB authority of Pension Trust Funds remaining as of August 31, 2018 for capital budget projects, including the TEAM Program and CAPPs - Enterprise Resource Planning (ERP) funded in the 2018-19 GAA. Current UB estimates are \$500,000 for CAPPs and \$5.9 million for TEAM.		\$ 6,400,000						
<b>Workgroup Revisions and Additions:</b>								
1. None.								
<b>Total, Outstanding Items / Tentative Decisions</b>	<b>\$ 1,088,967,411</b>	<b>\$ 1,129,867,411</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total, Full-time Equivalent / Tentative Decisions</b>	0.0	127.0	0.0	0.0	0.0	0.0	0.0	0.0

Article III Public Education Optional Retirement Program (32C) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 <u>2020-21 Biennial Total</u>		Pended Items <u>2020-21 Biennial Total</u>		Adopted <u>2020-21 Biennial Total</u>		Article XI <u>2020-21 Biennial Total</u>	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
<b>Agency Requests:</b>								
1. None.								
<b>Workgroup Revisions and Additions:</b>								
1. None.								
<b>Total, Outstanding Items / Tentative Decisions</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Article III Public Education	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total, Full-time Equivalent / Tentative Decisions</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0