



## LEGISLATIVE BUDGET BOARD

# House Committee Substitute for Senate Bill 1

***2026-27 Biennium***

**PRESENTED TO HOUSE APPROPRIATIONS COMMITTEE  
LEGISLATIVE BUDGET BOARD STAFF**

**MARCH 2025**

# HCSSB 1, by Method of Finance

MOF Type	2024-25 Expended/ Budgeted	2026-27	\$ Change	% Change
General Revenue	\$ 142,644.4	\$ 153,649.7	\$ 11,005.3	7.7%
General Revenue-Dedicated	\$ 9,901.8	\$ 7,064.0	\$ (2,837.8)	-28.7%
Other Funds	\$ 108,326.9	\$ 99,984.5	\$ (8,342.4)	-7.7%
Federal Funds	\$ 72,095.7	\$ 76,703.3	\$ 4,607.6	6.4%
<b>TOTAL (All Funds)</b>	<b>\$ 332,968.8</b>	<b>\$ 337,401.5</b>	<b>\$ 4,432.7</b>	<b>1.3%</b>

Totals may not sum due to rounding.

# All Funds, by Article

Article	2024-25	2026-27	\$ Change	% Change
1 – General Gov't	\$ 21,639.1	\$ 15,342.9	\$ (6,296.2)	-29.1%
2 – Health/Human Services	\$ 101,651.3	\$ 105,164.9	\$ 3,513.6	3.5%
3 – Public Education	\$ 89,141.2	\$ 101,253.7	\$ 12,112.5	13.6%
3 – Higher Education	\$ 32,510.2	\$ 33,297.5	\$ 787.3	2.4%
4 – Judiciary	\$ 1,241.2	\$ 1,209.9	\$ (31.2)	-2.5%
5 – Public Safety/Criminal Justice	\$ 19,485.3	\$ 20,133.8	\$ 648.5	3.3%
6 – Natural Resources	\$ 11,055.8	\$ 7,892.4	\$ (3,163.4)	-28.6%
7 – Business/Econ Development	\$ 49,832.2	\$ 48,861.6	\$ (970.6)	-1.9%
8 – Regulatory	\$ 5,891.9	\$ 2,966.4	\$ (2,925.5)	-49.7%
9 – General Provisions	\$ -	\$ 738.3	\$ 738.3	-
10 – Legislature	\$ 520.8	\$ 540.3	\$ 19.5	3.7%
<b>TOTAL</b>	<b>\$ 332,968.8</b>	<b>\$ 337,401.5</b>	<b>\$ 4,432.7</b>	<b>1.3%</b>

*Totals may not sum due to rounding.*

# General Revenue Funds, by Article

Article	2024-25	2026-27	\$ Change	% Change
1 – General Gov't	\$ 11,040.2	\$ 9,652.3	(1,387.9)	-12.6%
2 – Health/Human Services	43,571.5	45,327.2	1,755.7	4.0%
3 – Public Education	47,835.0	51,702.4	3,867.4	8.1%
3 – Higher Education	21,475.6	22,851.0	1,375.4	6.4%
4 – Judiciary	850.9	807.0	(44.0)	-5.2%
5 – Public Safety/Criminal Justice	13,401.1	19,607.1	6,206.0	46.3%
6 – Natural Resources	2,639.9	1,588.1	(1,051.8)	-39.8%
7 – Business/Econ Development	881.1	919.1	38.0	4.3%
8 – Regulatory	428.3	519.5	91.2	21.3%
9 – General Provisions	-	135.9	135.9	-
10 – Legislature	520.8	540.1	19.3	3.7%
<b>TOTAL</b>	<b>\$ 142,644.4</b>	<b>\$ 153,649.7</b>	<b>11,005.3</b>	<b>7.7%</b>

*Totals may not sum due to rounding.*

*In addition to amounts shown above, the House Committee Substitute for SB 1 transfers \$2.0 billion in General Revenue to the Texas Energy Fund, \$3.0 billion (contingent on legislation) for dementia prevention and research, and \$18.8 billion to the Property Tax Relief Fund, which includes \$3.5 billion in funding for additional property tax relief, contingent on legislation.*

# All State Funds, by Article

Article	2024-25	2026-27	\$ Change	% Change
1 – General Gov't	\$ 16,055.5	\$ 11,903.9	(4,151.6)	-25.9%
2 – Health/Human Services	45,656.0	47,310.5	1,654.5	3.6%
3 – Public Education	76,406.6	87,544.5	11,137.9	14.6%
3 – Higher Education	29,494.9	30,634.0	1,139.1	3.9%
4 – Judiciary	1,234.9	1,206.0	(28.9)	-2.3%
5 – Public Safety/Criminal Justice	13,705.5	19,805.8	6,100.3	44.5%
6 – Natural Resources	5,454.2	4,058.2	(1,396.0)	-25.6%
7 – Business/Econ Development	30,227.4	30,715.0	487.6	1.6%
8 – Regulatory	5,886.1	2,960.4	(2,925.7)	-49.7%
9 – General Provisions	-	738.3	738.3	-
10 – Legislature	520.8	540.3	19.5	3.7%
<b>TOTAL</b>	<b>\$ 224,641.9</b>	<b>\$ 237,417.0</b>	<b>12,775.1</b>	<b>5.7%</b>

*Totals may not sum due to rounding.*

# Major Funding Items

## PUBLIC EDUCATION

- Foundation School Program appropriations fully fund requirements in current law, include projected costs of student population changes, and provide approximately \$800 million to increase the yield on the golden pennies
- Contingency funding of \$9.1 billion for increased funding for public education, including \$7.6 billion for HB 2, \$515.8 million for HB 120, \$502.5 million for HB 123, \$62.6 million for HB 2196, and \$400 million to raise the School Safety Allotment
- Contingency funding of \$1.0 billion for an education savings account

## PROPERTY TAX RELIEF

- Provides \$51 billion for new tax relief and maintain tax relief provided since HB 3, 86<sup>th</sup> Legislature. New relief for 2026-27 totals \$6.5 billion, including \$3.0 billion in additional compression of district property tax rates and contingency funding of \$3.5 billion in additional property tax relief

## HIGHER EDUCATION

- Contingency funding of \$850.0 million in General Revenue for a Texas State Technical College endowment
- \$364.3 million to Texas Higher Education Coordinating Board to provide additional funding for Student Financial Aid
- \$304.4 million in All Funds, for Graduate Medical Education Expansion, including an additional \$71.3 million to maintain the 1 to 1.1 ratio of first year residency positions
- Contingency funding of \$409.7 million in General Revenue for the Texas Research Incentive Program (TRIP)

# Major Funding Items

## BORDER SECURITY

- \$6.5 billion to maintain current border security operations across 13 state agencies

## CRIMINAL JUSTICE & PUBLIC SAFETY

- \$330.6 million to provide a 10.0 percent pay increase for Correctional Officers and \$32.0 million to provide a 15.0 percent pay increase for Parole Officers, and \$51.9 million to provide a 10.0 percent pay increase for probation officers at local Community Supervision and Corrections Departments at the Texas Department of Criminal Justice
- \$402.6 million for new commissioned law enforcement officers at the Department of Public Safety

## HEALTH & HUMAN SERVICES

- Contingency funding of \$3.0 billion for the Dementia Prevention and Research Institute of Texas
- An increase of \$6.0 billion in All Funds for Medicaid and CHIP, primarily due to projected caseload growth
- \$1.6 billion in General Revenue (\$4.1 Billion in All Funds) to increase base wage for all personal attendants to \$14.28 per hour and for personal attendants in certain waiver providers to \$17.50 per hour
- \$85.9 million in General Revenue (\$91.1 million in All Funds) to the Department of Family and Protective Services to roll out Community Based Care at an additional four regions
- Maintains 2024-25 appropriation levels for Women's Health Funding and for improving maternal health outcomes across the state

## OTHER HIGHLIGHTS

- \$35.8 billion for highway planning and design, right-of-way acquisition, construction, and maintenance
- \$2.0 billion in additional funding for the Texas Energy Fund

# Constitutional / Statutory Limitations

2026–27 Remaining General Revenue Spending Authority (in billions)	
<b>Pay-as-you-go Limit</b> <i>Texas Constitution, Article III, Section 49a</i>	\$2.9
<b>Tax Spending Limit</b> <i>Texas Constitution, Article VIII, Section 22</i>	\$3.0
<b>Consolidated General Revenue Limit</b> <i>Texas Government Code, Section 316.001</i>	\$16.0





# LEGISLATIVE BUDGET BOARD

## **Contact the LBB**

Legislative Budget Board

[www.lbb.texas.gov](http://www.lbb.texas.gov)

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