



LEGISLATIVE BUDGET BOARD

SUMMARY OF SENATE BILL 2, AS INTRODUCED

Budget Recommendations for the 2016-17 Biennium

URSULA PARKS, LEGISLATIVE BUDGET BOARD

JANUARY 28, 2015

The Big Picture

	2014-15 Appropriations	2014-15 Adjusted Base	2016-17 SB 2	Biennial Increase	Percent Change
All Funds	200.4	202.1	205.1	3.0	1.5%
General Revenue	95.0	95.2	101.5	6.3	6.6%

Summary of Budget Recommendations

Senate Bill 2 as introduced totals \$205.1 billion in All Funds. This is \$3.0 billion, or 1.5%, above 2014-15 anticipated spending levels.

GR amounts total \$101.5 billion. This is \$6.3 billion, or 6.6%, over 2014-15 spending levels.

Supplemental 2014-15 Adjustments

	<i>In millions</i>
2014-15 GR Appropriations	\$94,977.0
2014-15 GR Expended/Budgeted	\$95,170.0
Net Biennial Increase	\$193.0

The net increase of \$193 million includes \$171.2 million in estimated Medicaid supplemental costs. Not all of the adjustments to the base require legislation action.

Constitutional Limitations

There is remaining spending capacity under both the Article III, Section 49A pay-as-you-go limit and the Article VIII, Section 22 Spending Limit.

Remaining General Revenue Spending Authority <i>in billions</i>		
Pay-as-you-go Limit		\$10.3
Spending Limit		\$5.4

Foundation School Program & Tax Relief

The Foundation School Program

- \$42.4 billion in All Funds and \$33.6 billion in GR to fully fund current law obligations, including student enrollment growth
- GR increase of \$2.0 billion from 2014-15
 - \$4.0 billion GR increase for tax relief
 - \$200 million GR increase for M&O tax rate conversion
 - Offset by \$2.2 billion GR decrease in net state FSP cost due to property value growth

Foundation School Program & Tax Relief

continued

Tax Relief: \$4.0 Billion in GR

- \$3.0 billion for school district property tax relief
- \$1.0 billion for franchise tax relief

Both contingent upon enactment of legislation, and both allocations are to maintain full funding of the FSP.

Medicaid

- \$60.1 billion in All Funds, including \$24.8 billion in GR and \$100 million in GR-Dedicated
- \$1.3 billion in GR provided for projected caseload growth, including transition of certain children from CHIP to Medicaid; maintaining FY15 average costs for most programs; and full biennial funding of the Community First Choice program
- A less favorable Federal Medical Assistance Percentage (FMAP) results in higher proportion of program funded with GR

Other Health and Human Services

Women's Health is provided a \$50 million increase in GR to implement women's health programs in accordance with Sunset recommendations.

Mental Health is provided \$14.5 million in additional funding to eliminate waitlists at DSHS.

- Requires development of a statewide mental health strategic plan and coordinated mental health expenditures across the budget

Transportation

\$24.9 billion in All Funds is inclusive of the following:

- \$1.2 billion from allocating 100% of Fund 6 to TxDOT;
- \$2.6 billion from Proposition 1;
- \$1.2 billion in a one-time allocation to Fund 6 from motor vehicle sales tax; and
- Other Fund 6, Mobility Fund, Federal Funds and debt service-related allocations

Border Security

\$815.2 million in All Funds across various agencies; a \$347.3 million biennial increase

- \$804.0 million is provided in border funding at the Department of Public Safety.
- A new rider provides for a memorandum of understanding between DPS and the Texas Military Department to provide for a consistent border presence

Other Funding Highlights

Higher Education is provided \$18.8 billion in All Funds, and includes enrollment growth. Overall, this represents a 1.5% increase in All Funds.

Juvenile Justice Department is provided \$638.9 million in All Funds; this is in a rider appropriation in lieu of the standard strategy allocations. This is designed to give the legislature maximum flexibility in addressing the needs of this function.

Other Funding Highlights-Continued

Adult Criminal Justice is generally maintained at the 2014-15 level; All Funds total \$6.3 billion at the Texas Department of Criminal Justice.

Debt Service totals \$3.9 billion in All Funds, which fully funds the state's obligation. This is a \$330.4 million increase from the 2014-15 biennium.

LBB Staff

- Support committee deliberations
- Provide budget and program analysis
- Assist the committee with state fiscal analysis

Introduction of managers and review of LBB publications.

Legislative Budget Board

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