



LEGISLATIVE BUDGET BOARD Senate Committee Substitute for House Bill 2 – Highlights

SAVINGS RELATED TO SCSHB2

Fiscal year 2021 supplemental appropriations and savings in Senate Committee Substitute for House Bill 2 (SCSHB2) result in a net All Funds savings of \$3,384.3 million. **Appropriations from the Economic Stabilization Fund (ESF) total \$531.1 million.**

Fiscal year 2021 certification savings in SCSHB2, combined with the related fiscal year 2020 lapses, result in a net 2020–21 biennial certification savings of \$2,729.7 million over estimates in the Comptroller of Public Accounts' revised *Biennial Revenue Estimate*.

SCSHB2 SUPPLEMENTAL BILL HIGHLIGHTS

(IN MILLIONS)	SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL 2, FISCAL YEAR 2021		2020–21 BIENNIUM IMPACT ON GR CERTIFICATION
	ALL FUNDS	GENERAL REVENUE FUNDS	
Foundation School Program	(\$5,152.2)	(\$5,152.2)	\$0.0
5 Percent Budget Reductions	(\$577.0)	(\$505.5)	(\$793.3)
CRF Reimbursement for General Revenue Funds	(\$2,409.8)	(\$2,409.8)	(\$3,993.2)
General Government	\$1,484.1	\$999.5	\$1,051.5
Health and Human Services	\$345.1	\$0.1	\$0.1
Education	\$222.8	\$159.3	\$159.3
Public Safety and Criminal Justice	\$405.3	\$380.3	\$380.3
Natural Resources	\$29.7	\$15.2	\$51.3
Cross Article and Property Tax Relief Fund	\$2,267.6	\$1,399.8	\$414.2
TOTAL COST/(SAVINGS)	(\$3,384.3)	(\$5,113.4)	(\$2,729.7)

NOTES: CRF=Coronavirus Relief Fund. Totals may not sum due to rounding.
LBB ID: 6995

(\$5,152.2 MILLION)

GENERAL REVENUE FUNDS

FOUNDATION SCHOOL PROGRAM ADJUSTMENT

The bill reduces General Revenue Funds appropriations from the Foundation School Program by \$5.2 billion resulting from updated projections since the appropriations were passed by the Eighty-sixth Legislature, 2019. The Comptroller of Public Accounts (CPA) included this savings in the revised *Biennial Revenue Estimate*; therefore, there will be no additional certification savings. The net savings results primarily from increased District Property Value growth, lower-than-anticipated Average Daily Attendance rates, increased non-General Revenue Funds revenues, and federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

(\$577.0 MILLION)

GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS

5 PERCENT BUDGET REDUCTIONS

The bill provides savings of \$505.5 million in General Revenue Funds and \$71.5 million in General Revenue–Dedicated Funds during fiscal year 2021 resulting from agencies' planned 5 percent budget reductions. The fiscal year 2020 portion of the planned reductions is not included in the bill but will provide a certification gain of \$205.0 million in General Revenue Funds and \$11.3 million in General Revenue–Dedicated Funds for a total certification savings of \$793.3 million.

(\$2,409.8 MILLION)

GENERAL REVENUE FUNDS

CORONAVIRUS RELIEF FUND REIMBURSEMENTS FOR GENERAL REVENUE FUNDS SALARIES OF PUBLIC HEALTH AND PUBLIC SAFETY EMPLOYEES

The bill provides savings of \$2,409.8 million in General Revenue Funds during fiscal year 2021 from reduced appropriations for salaries of public health and public safety employees that are eligible for reimbursement from the Coronavirus Relief Fund (CRF). The fiscal year 2020 portion of the General Revenue Funds–CRF swap is not included in the bill, but it will provide a certification savings of \$1,583.3 million. In total, the General Revenue Funds–CRF swap will result in a certification savings of \$3,993.2 million during the 2020–21 biennium.

\$1,020.0 MILLION

ALL FUNDS

CONTRIBUTIONS TO BENEFITS

Contingent on passage of Senate Bill 321, the bill provides \$678.3 million in General Revenue Funds, \$52.0 million in General Revenue–Dedicated Funds, \$118.3 million in Other Funds, and \$171.4 million in Federal Funds to the Employee Retirement System to implement the provisions of the bill.



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\$209.7 MILLION	TEXAS DEPARTMENT OF CRIMINAL JUSTICE CORRECTIONAL MANAGED HEALTH CARE AND AGENCY OPERATIONS
GENERAL REVENUE FUNDS	The bill provides \$123.7 million in General Revenue Funds to the Texas Department of Criminal Justice for correctional managed health care to fill a shortfall and \$86.0 million for correctional security operations, institutional goods, institutional operations and maintenance, and parole supervision.

\$5.7 MILLION	HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
GENERAL REVENUE FUNDS	The bill provides \$5.7 million in General Revenue Funds to South Texas College to correct a calculation error in state contributions for health benefits..

\$3.4 MILLION	FOOD BANKS PROGRAM AND HOME-DELIVERED MEALS
GENERAL REVENUE FUNDS	The bill provides \$3.4 million in General Revenue Funds to the Department of Agriculture, including \$1.9 million for the Food Banks Program and \$1.4 million for Home-Delivered Meals.

(\$76.0 MILLION)	DEBT SERVICE AND LEASE PAYMENTS
GENERAL REVENUE FUNDS	The bill provides savings of \$76.0 million in General Revenue Funds for debt service and lease payments including \$35.3 million to the Texas Facilities Commission, \$27.0 million to the Texas Public Finance Authority, and \$13.6 million to the Health and Human Services Commission.

\$5.0 MILLION	RIO GRANDE COMPACT LITIGATION EXPENSES
GENERAL REVENUE FUNDS	The bill provides \$5.0 million in General Revenue Funds to the Texas Commission on Environmental Quality to replace funds transferred for the purpose of continuing water rights litigation with the State of New Mexico for equitable distribution of water pursuant to the Rio Grande Compact.

\$6.5 MILLION	LAW ENFORCEMENT HELICOPTER
GENERAL REVENUE- DEDICATED FUNDS	The bill provides \$6.5 million from General Revenue–Dedicated Account No. 9, Game, Fish, and Water Safety, to the Texas Parks and Wildlife Department for the purchase of a law enforcement helicopter.

\$321.3 MILLION	CAPITAL NEEDS FOR STATE HOSPITALS
ECONOMIC STABILIZATION FUND	The bill provides \$321.3 million from the Economic Stabilization Fund to the Health and Human Services Commission for capital needs including \$276.5 million to finish construction of replacement campuses at Austin State Hospital and at San Antonio State Hospital and \$44.8 million to begin planning efforts to build new state hospitals in the Dallas area.

\$5.5 MILLION	NATIONAL MUSEUM OF THE PACIFIC WAR
ECONOMIC STABILIZATION FUND	The bill provides \$5.5 million from the Economic Stabilization Fund to the Texas Historical Commission for the National Museum of the Pacific War.

\$25.0 MILLION	COURTHOUSE PRESERVATION GRANTS
ECONOMIC STABILIZATION FUND	The bill provides \$25.0 million from the Economic Stabilization Fund to the Texas Historical Commission for courthouse preservation grants.

\$50.0 MILLION	MAINTENANCE OF ALAMO
ECONOMIC STABILIZATION FUND	The bill provides \$50.0 million from the Economic Stabilization Fund to the General Land Office to preserve and maintain the Alamo and Alamo Complex.

\$36.3 MILLION	CAPITOL COMPLEX PHASE I
ECONOMIC STABILIZATION FUND	The bill provides \$36.3 million from the Economic Stabilization Fund to the Texas Facilities Commission to finish interior facilities in Phase 1 of the Capitol Complex construction project.



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\$36.1 MILLION	CAPITOL PROJECT RENOVATIONS
ECONOMIC STABILIZATION FUND	The bill provides \$36.1 million from the Economic Stabilization Fund to the State Preservation Board, including \$33.6 million for renovations at the Texas Capitol, Capitol Extension, and Capitol Visitors Center, and \$2.5 million for repairs at the Texas State History Museum.

\$271.2 MILLION	TEXAS GUARANTEED TUITION PLAN
GENERAL REVENUE FUNDS	The bill provides \$271.2 million in General Revenue Funds to the Comptroller of Public Accounts to fund the Texas Guaranteed Tuition Plan.

\$1.0 BILLION	PROPERTY TAX RELIEF FUND
GENERAL REVENUE FUNDS	The bill provides \$1.0 billion in General Revenue Funds to the Comptroller of Public Accounts to deposit into the Property Tax Relief Fund, which would create a beginning balance in the Fund to support the Foundation School Program in the 2022–23 biennium.

\$44.0 MILLION	SPECIAL EDUCATION MAINTENANCE OF EFFORT
GENERAL REVENUE FUNDS	The bill provides a net increase of \$44.0 million in General Revenue Funds to the Texas Education Agency for Special Education Maintenance of Effort supporting a negotiated legal settlement between the State of Texas and the U.S. Department of Education.

\$21.5 MILLION	MAINFRAME INFORMATION TECHNOLOGY PROJECT
ALL FUNDS	The bill provides \$4.6 million in General Revenue Funds and \$16.9 million in General Revenue–Dedicated Funds from Account No. 5155, Oil and Gas Regulation and Cleanup, to the Railroad Commission for the second phase of an information technology mainframe computer transformation project.

\$893.4 MILLION	INFORMATION TECHNOLOGY
ALL FUNDS	The bill provides \$893.4 million in All Funds for information technology (IT), including \$269.2 million in General Revenue Funds, \$12.3 million in General Revenue–Dedicated Funds, and \$611.8 million in Other Funds and Federal Funds. Project amounts include \$64.6 million for Cybersecurity, \$431.8 million for Legacy System Modernization, \$219.0 million for other IT projects, \$159.3 million for Data Center Services, and \$18.6 million for deployment of the Centralized Accounting and Payroll/Personnel System.

\$269.5 MILLION	PUBLIC SAFETY AND VEHICLES
ALL FUNDS	The bill provides \$269.5 million in All Funds for public safety initiatives and vehicles, including \$133.7 million to the Texas Department of Public Safety (DPS), \$22.4 million to the Texas Military Department, \$50.0 million to the Trusteed Programs within the Office of the Governor, \$14.1 million to Texas Department of Criminal Justice, \$14.9 million to the Texas Parks and Wildlife Department, and \$12.4 million to other agencies. Contingent on passage of Senate Bill 2222, the bill also provides no more than \$22.0 million from the Economic Stabilization Fund to DPS to purchase bullet-resistant windshields for patrol vehicles.

\$63.6 MILLION	RESPONDING TO NATURAL DISASTERS
ECONOMIC STABILIZATION FUND	The bill provides \$62.1 million from the Economic Stabilization Fund to respond to natural disasters and hurricanes including: \$56.4 million to Texas A&M Forest Service to including the mobilization of ground and aviation resources to assist with fire suppression, \$5.7 million to Lamar University for facilities repair and flooding recovery necessitated by damage from Tropical Storm Imelda, and \$1.5 million to Lamar State College – Orange for recovery from Hurricane Laura, including repairs and the purchase of a natural gas power generator.

\$582.8 MILLION	CAPITAL NEEDS
ALL FUNDS	The bill provides \$582.8 million in All Funds, including \$301.2 million in General Revenue Funds, \$40.0 million from the Economic Stabilization Fund, and \$241.6 million in Other Funds and Federal Funds to various agencies for statewide capital needs.