LEGISLATIVE BUDGET BOARD

SENATE BILL 1, AS INTRODUCED
Budget Recommendations for the 2022–23 Biennium

PRESENTED TO SENATE FINANCE COMMITTEE

LEGISLATIVE BUDGET BOARD STAFF   **FEBRUARY 2021**

Senate Bill 1, by Method of Finance

MOF Type	2020–21	2022–23	Biennial Change	% Change
General Revenue Funds	$114,947.8	$119,693.2	$4,745.4	4.1%
General Revenue–Dedicated Funds	$6,532.3	$6,282.3	($249.9)	(3.8%)
Federal Funds	$99,446.0	$85,343.6	($14,102.5)	(14.2%)
Other Funds	$43,878.3	$39,883.2	($3,995.1)	(9.1%)
ALL FUNDS *(in millions)*	**$264,804.4**	**$251,202.3**	**($13,602.1)**	**(5.1%)**

General Revenue Funds, by Article

Article	2020–21	2022–23	$ Change	% Change
1 – General Gov't	$3,977.4	$4,147.0	$169.5	4.3%
2 – Health/Human Services	$35,914.4	$36,573.2	$658.8	1.8%
3 – Public Education	$44,561.5	$48,595.2	$4,033.7	9.1%
3 – Higher Education	$15,841.3	$15,890.9	$49.6	0.3%
4 – Judiciary	$553.8	$546.9	($7.0)	(1.3%)
5 – Public Safety/Criminal Justice	$11,869.5	$11,849.3	($20.2)	(0.2%)
6 – Natural Resources	$933.1	$915.5	($17.5)	(1.9%)
7 – Business/Econ Development	$520.9	$477.8	($43.1)	(8.3%)
8 – Regulatory	$367.8	$287.3	($80.5)	(21.9%)
10 – Legislature	$408.1	$410.2	$2.1	0.5%
TOTAL, ALL ARTICLES *(in millions)*	**$114,947.8**	**$119,693.2**	**$4,745.4**	**4.1%**

Major Funding Items

PUBLIC EDUCATION

- Recommended funding for the Foundation School Program fully funds current law and includes projected student enrollment growth and state funding related to property tax compression.

- Recommendations for the Teacher Retirement System (TRS) include an increased state contribution rate, from 7.5% in 2020-21 to 7.75% in FY 2022 and 8.0% in FY 2023.

HEALTH & HUMAN SERVICES

- All Funds decrease of $4.1 billion primarily related to COVID-related federal fund expenses in 2020-21 ($1.8 billion), $0.6 billion in 2020-21 new construction and repair/renovation projects, as well as projected decreases in Medicaid and CHIP client services ($1.3 billion).

TRANSPORTATION

- All Funds decrease of $2.5 billion, primarily related to an estimated $2.4 billion decrease in 2020-21 federal reimbursements for highway planning, right-of-way, construction and maintenance.

HIGHER EDUCATION

- Higher Education formula General Revenue appropriations for the 2022–23 biennium were maintained at the 2020-21 appropriated levels.

ADULT CORRECTIONS

- Recommended funding maintains correctional security operations, with a decrease totaling $148 million, primarily related to recent facility closures and 2020-21 repair/renovation projects.

Constitutional Limitations

2022–23 Remaining General Revenue Spending Authority (in billions)	
Pay-as-you-go Limit *Texas Constitution, Article III, Section 49a*	($7.2)
Spending Limit *Texas Constitution, Article VIII, Section 22*	$3.2

These amounts compare Senate Bill 1 as introduced with the Comptroller's Biennial Revenue Estimate and do not fully account for revisions that will occur due to supplemental appropriations, 5% agency reductions, and/or the use of federal funds.

LBB Staff

- Support committee deliberations

- Provide budget and program analysis

- Assist the committee with state fiscal analysis

Publications include:

Appropriations Bills	Strategic Fiscal Reviews
Bill Summaries (Summary of LBE)	Criminal Justice – projections/reports
Legislative Budget Estimates – Strategy	Infographics and Issue Briefs
Legislative Budget Estimates – Program	Interactive Graphics
Fiscal Size-Up, 2020-21 Biennium	School Performance Reviews

Contact the LBB

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