



Representative:

Desk:

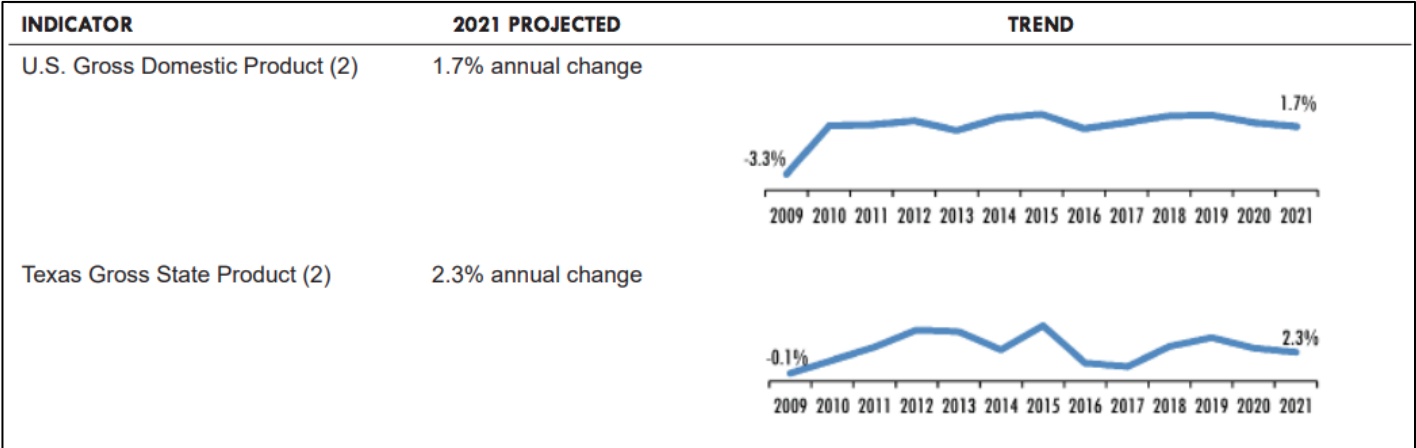
Bill Analysis for House Bill 1
Wednesday, March 27, 2019
Author: Rep. John Zerwas Committee: Appropriations
Recommendation: Favorable, with Concerns

CSHB 1 Evaluated By: Brittany Sharp
Brittany@TexasLSG.org; (210) 748-0646

SUMMARY

CSHB1’s General Revenue (GR) expenditures total \$116.5 billion, an increase of \$7.9 billion, or 7.3 percent, from the previous budget’s general revenue spending in FY 2018-19. Currently, there is \$2.3 billion available in GR before reaching the spending growth limit and \$500 million available in GR before reaching the pay-as-you-go limit. In addition, there was an estimated \$15.4 billion that would be available in the Economic Stabilization Fund (ESF) by the end of FY 2021, but CSHB 1 and the proposed supplemental budget (SB 500) would appropriate \$2.3 billion and \$4.3 billion, respectively, from the fund, lowering the projected balance of the fund to \$8.4 billion.

Texas began the 86th legislative session in the middle of a strengthening economy. The unemployment rate is below 4% and expected to remain there during the 2020-2021 biennium. Real growth in Gross State Product during 2019 is forecasted at 4% but is expected to dip below 3% in 2020-2021.



Source: Legislative Budget Board

Appropriators must take the projected economic slowdown into consideration while making investments for the next biennium, as it affects the revenue forecast. In January, the Texas Comptroller provided the Biennial Revenue Estimate, estimating that the state has \$125.7 billion in General Revenue through 2021. Of this, \$6.3 billion is reserved for the Economic Stabilization State Highway Funds. Another \$211 million is reserved for the Texas Tomorrow Fund shortfall. This leaves \$119.1 billion available in General Revenue for the 2020-2021 budget, unless the Legislature uses some of it for 2019 supplemental expenses.

Legislative appropriations are subject to two spending limits, the pay-as-you-go limit and the spending growth limit. The pay-as-you-go limit prohibits appropriations from the General Revenue (GR) Fund from going over the available revenue forecast by the Comptroller. The spending growth limit prohibits the spending of tax revenue that is not constitutionally dedicated from growing faster than the state’s economy.

The CSHB 1 budget writers left \$500 million out of the proposed budget, leaving room for negotiations during conference committee with the Senate. To get some idea of unmet requests look at the carious items in CSHB 1 “Article XI”, which totals more than \$12 billion.

Salary Concerns

Texas state agencies are having difficulty attracting and retaining qualified individuals in critical staff positions. Many agencies submitted exceptional item requests regarding staffing levels, CSHB 1 address this concern by providing funding for 9,795 new positions. Without proper staffing, Texas’ state agencies could face structural challenges and limitations for years to come. This session, the Appropriations Committee chose to take an across the board look at all agency pay requests in order to give more equitable funding.

Salary highlights:



Department of Family Protective Services

- \$17.8 million in All Funds for \$12,000 salary increases for Adult Protective Services frontline workers, \$2,500 bonuses for investigator caseworkers, and 20% salary increases for supervisors. Of this, \$17.2 million will come from General Revenue.
- \$4.3 million for \$6,000 salary increases for APS frontline staff.
- \$1.6 million for an annual salary increase of \$12,000 for new APS staff and \$6,000 for new statewide intake staff.

Health and Human Services

- \$30.5 million in All Funds for salary increases for state supported living centers and state hospital staff. Of this, \$19.5 million will come from the General Revenue. The increase is half of what the agency requested.
- \$7.8 million in All Funds for salary increases for regulatory service staff. This represents half of the agency request. Of the \$7.8 million, \$7.5 million will come from the General Revenue and remaining \$0.3 is from federal funds.
- \$87.2 million in All Funds for rate increases to increase the base wages for community attendants. This is funded at 22.4% of the requested amount. \$33.6 million of the allotted amount will come from the General Revenue and remaining amount from federal funds.
- \$8.8 million in General Revenue for State Health Services salary increases for technical, scientific, and financial staff.

Judiciary

- \$31.3 million for a 10% increase for judges and salaries statutorily linked to state district judge’s contingent on HB 2384 or similar legislation.

Texas Department of Criminal Justice

- \$168.1 million GR for a correctional officer and parole officer career ladder restructure and pay raise. This represents the full request.
- \$9 million GR for market level salary adjustments to recruit and maintain medical staff for offender health care. This item was partially funded at 73.5%.

Texas Juvenile Justice Department

- \$2.8 million GR for parity salary increases to keep up with TDCJ. This represents the full request.

Debt Service

\$4.2 billion in All Funds provide the revenue needed for debt service already issued or expected to be issued, including debt for tuition revenue bonds. This is a decrease of \$60.9 million from the 2018-2019 biennium.

Agency Information Technology and Cybersecurity

Texas agencies are behind the private sector in IT and cybersecurity systems. This year appropriations looked at IT and cybersecurity across all agencies in order to bring the State of Texas up to date.

- \$190.2 million in Centralized Accounting and Payroll/Personnel System (CAPPS) agency requests were adopted. 2020-2021 requests were made by 16 agencies to represent \$43.8 million in All funds and \$33 million in GR and GR-D. The largest adoption was \$8.5 million for the Health and Human Services Commission to upgrade its hub system. After the 2020-2021 biennium, 74% of state employees’ payments will be administered through CAPPS and 94% of state spending will flow through CAPPS, not including higher education institutions. (LBB)
- \$116.1 million for cybersecurity projects was adopted to decrease the risk of threats to the confidentiality, integrity, and availability of existing data and information systems. (LBB)
- \$778.9 million was approved for Legacy Modernization projects to replace systems with non-compatible or inefficient hardware or software technologies. (LBB)

FIGURE 17
TRENDS IN STATE GOVERNMENT EXPENDITURES, 2020–21 BIENNIAL APPROPRIATIONS IN COMMITTEE SUBSTITUTE FOR HOUSE BILL 1

(IN MILLIONS)	ALL FUNDS				GENERAL REVENUE FUNDS			
	UNADJUSTED		ADJUSTED FOR POPULATION AND INFLATION		UNADJUSTED		ADJUSTED FOR POPULATION AND INFLATION	
	AMOUNT	PERCENTAGE CHANGE	AMOUNT	PERCENTAGE CHANGE	AMOUNT	PERCENTAGE CHANGE	AMOUNT	PERCENTAGE CHANGE
BIENNIUM								
2012–13	\$190,755	N/A	\$190,755	N/A	\$86,016	N/A	\$86,016	N/A
2014–15	\$203,301	6.6%	\$191,461	0.4%	\$96,073	11.7%	\$90,478	5.2%
2016–17	\$215,992	6.2%	\$192,755	0.7%	\$108,007	12.4%	\$96,388	6.5%
2018–19	\$235,770	9.2%	\$195,033	1.2%	\$108,540	0.5%	\$89,786	(6.8%)
2020–21	\$251,090	6.5%	\$192,506	(1.3%)	\$116,478	7.3%	\$89,302	(0.5%)

Source: Legislative Budget Board



TABLE OF CONTENTS

ARTICLE I- GENERAL GOVERNMENT- Page 4

ARTICLE II- HEALTH AND HUMAN SERVICES- Page 7

ARTICLE III- PUBLIC EDUCATION- Page 11

ARTICLE IV- THE JUDICIARY- Page 17

ARTICLE V- PUBLIC SAFETY AND CRIMINAL JUSTICE- Page 19

ARTICLE VI- NATURAL RESOURCES- Page 22

ARTICLE VII- BUSINESS AND ECONOMIC DEVELOPMENT- Page 24

ARTICLE VIII- REGULATORY- Page 26

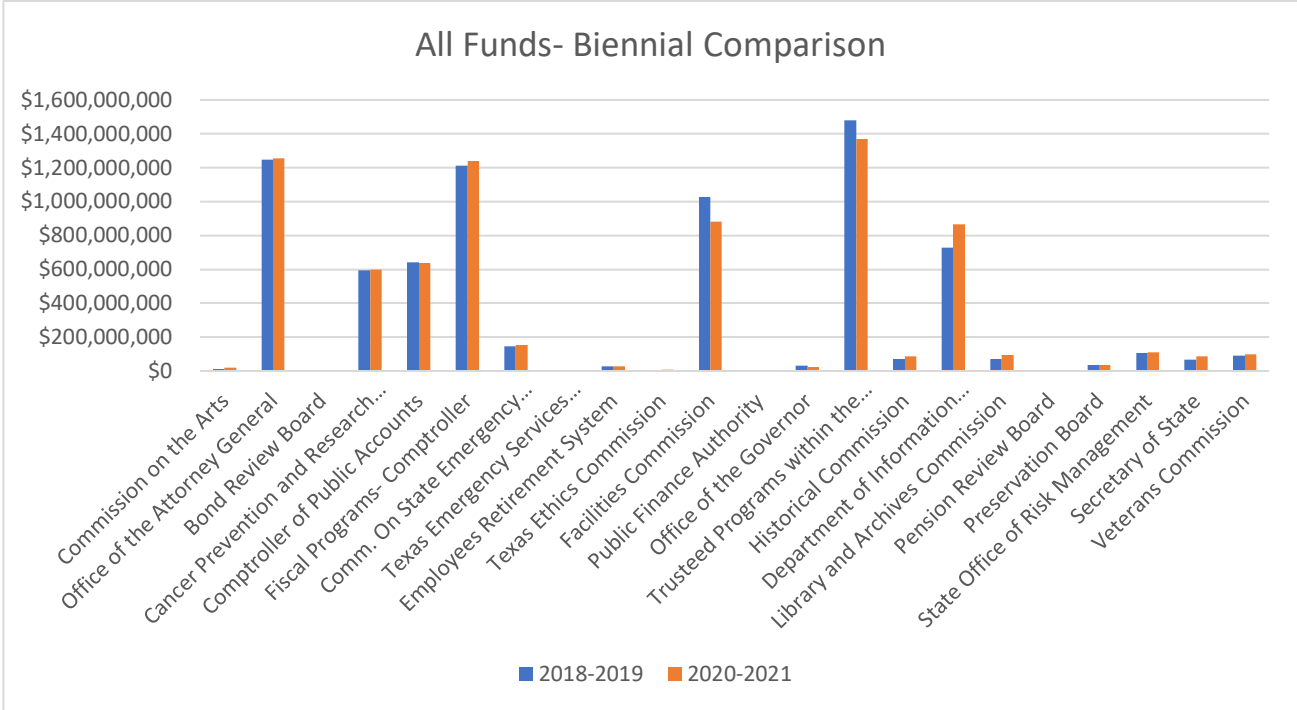
THE ECONOMIC STABILIZATION FUND- Page 28

Common Acronyms

- GR= General Revenue
- GR-D= General Revenue-Dedicated
- FF= Federal Funds
- ESF= Economic Stabilization Fund
- FTE= Full Time Equivalent



Article I - General Government



Agency	2018-2019(LBB summary of HB 1)	2020-2021 (HB1)	Difference	% Change
Commission on the Arts	\$13,000,000	\$18,186,076	+\$5,186,076	39.8%
Office of the Attorney General	\$1,248,100,000	\$1,257,110,882	+\$9,010,882	.7%
Bond Review Board	\$1,600,000	\$1,806,821	+\$206,821	11.1%
Cancer Prevention and Research Institute of Texas	\$595,200,000	\$600,110,000	+\$4,910,000	.8%
Comptroller of Public Accounts	\$640,600,000	\$635,592,404	-\$5,007,596	- .8%
Fiscal Programs- Comptroller	\$1,210,100,000	\$1,240,943,244	+\$30,843,244	2.6%
Commission on State Emergency Communications	\$144,800,000	\$154,668,488	+\$9,868,488	6.8%
Texas Emergency Services Retirement System	\$4,100,000	\$4,441,940	+\$341,940	8.6%
Employees Retirement System	\$27,200,000	\$27,500,000	+\$300,000	1.1%
Texas Ethics Commission	\$5,900,000	\$7,093,872	+\$1,193,872	20.5%
Facilities Commission	\$1,027,600,000	\$881,453,459	-\$146,146,541	-14.2%
Public Finance Authority	\$3,000,000	\$3,110,676	+\$110,676	3.3%
Office of the Governor	\$31,500,000	\$24,881,747	-\$6,618,253	-20.9%
Trusted Programs within the Office of the Governor	\$1,479,600,000	\$1,368,277,683	-\$111,322,317	-7.5%
Historical Commission	\$71,400,000	\$88,224,685	+\$16,824,685	23.6%
Department of Information Resources	\$726,100,000	\$866,694,968	+\$140,594,968	19.4%
Library and Archives Commission	\$69,600,000	\$96,135,064	+\$26,535,064	38.2%
Pension Review Board	\$2,000,000	\$1,867,538	-\$132,462	-4.6%
Preservation Board	\$37,100,000	\$34,321,253	-\$2,778,747	-7.4%
State Office of Risk Management	\$107,000,000	\$108,843,387	+\$1,843,387	1.7%
Secretary of State	\$68,100,000	\$84,697,497	+\$16,597,497	24.4%
Veterans Commission	\$91,700,000	\$99,663,654	+\$7,963,654	8.6%
Total General Revenue & General Revenue Dedicated	\$4,265,400,000	\$4,150,042,007	-\$115,357,993	-2.7%
Total All Funds	\$7,503,300,000	\$7,509,213,354	+\$5,913,354	.1%



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

Commission on the Arts

\$18,186,076 (39.8%)

The Commission on the Arts provides resources to enhance economic development, arts education, cultural tourism, and artist sustainability initiatives.

Funding includes:

- \$5 million for cultural district grants to cities for approximately fifty projects.
- \$500,000 for 100 military arts healing grants for active service military and veterans.

Office of the Attorney General

\$1,257,110,882 (0.7%)

The main responsibilities of the office of the Attorney General is to provide legal representation to the state; enforce and collect child support; investigate and prosecute criminal activities; and investigate fraud, waste and abuse. The agency was given \$74.2 million All Funds for crime victim's assistance grants. This represents an increase of \$7.7 million in GR. \$162.3 million for Crime Victims Compensation was provided to prevent the loss of Federal Funds. This item was funded at 75% of the agency request.

Cancer Prevention and Research Institute of Texas (CPRIT)

\$600,110,000 (0.8%)

In 2007, Texas voters approved a constitutional amendment that established CPRIT. CPRIT funds cancer research along with prevention programs and services in Texas through the issuing of bonds.

Funding includes:

- \$436 million in remaining available bond proceeds to CPRIT.
- \$164 million from the ESF to bring the agency up to its historic appropriation of \$600 million.

Employees Retirement System (ERS)

\$27,500,000 (1.1%)

The Employees Retirement System offers health coverage and retirement benefits to state employees. These funds are only used to administer the program.

Spread throughout the various agencies in the budget, a total of \$943 million in General Revenue and General Revenue-Dedicated make up the state contribution to ERS retirement program. This provides for a 9.5% state contribution rate. It will also increase the retirement contribution for all general state agencies from .5% to 1% of total base wages and salaries for each eligible employee.

Texas Facilities Commission

\$881,453,459 (-14.2%)

The Texas Facilities Commission provides and contracts for the design; construction; property management; grounds and custodial services; recycling and waste management services; building climate and energy automation; and the fire and security services required to keep State agencies operating.

Funding includes:

- \$251 million in ESF funds for deferred maintenance projects. 32 of these projects will be for facilities at Texas School for the Blind and Visually Impaired (TSBVI) and 33 at Texas School for the Deaf (TSD).

Trusted Programs Within the Office of the Governor

\$1,368,277,683 (-7.5%)

The primary function of the Trusted Programs Within the Office of the Governor is to provide grants for various programs, including: Disaster and Deficiency funds, Criminal Justice grants, and Economic Development incentives. The decrease in funding is due to unexpended balances from the 2018-2019 biennium.

Funding includes:

- \$100 million from the ESF for disaster grants.
- Economic development and jobs creation funds totaling \$425 million.
 - This includes \$50 million in ESF funds for Defense Economic Adjustment Assistance Grant (DEAAG) program which aids military defense impacted communities. \$111.9 million in unexpended balances in the Texas Enterprise Fund (TEF) for incentive grants. \$110.2 million for tourism promotion. \$50 million for loans to defense communities for economic development projects at the Texas Military Preparedness Commission.
- \$55.8 million for border security grants to local entities and other support.
- \$20 million to provide grants to sexual assault forensic exam-ready facilities.
- \$5 million to provide grants for county jail medication assisted treatment for opioid and alcohol dependence.

Historical Commission



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

\$88,224,685 (23.6%)

The Texas Historical Commission's primary function is to preserve history in the State of Texas. The increase in funding is attributed to the Economic Stabilization Fund for Courthouse Preservation Grants.

Library and Archives Commission

\$96,135,064 (38.2%)

The Library and Archives Commission preserves the archival record of Texas, enhances the service capacity of Texas libraries, and assists public agencies in maintaining their records. The increase in funds is primarily related to the expansion of the State Records Center in Austin. Without this expansion, the agency reported that they would run out of space this year.

Secretary of State

\$84,697,497 (24.4%)

The Office of the Secretary of State is responsible for administering the Texas Election Code, maintaining filings and records related to Texas Corporations, serving as the lead liaison for Texas Border and Mexican Affairs, and serves as the states chief international protocol officer. The increase in funding is due to funding for primary election reimbursements.

Texas Veterans Commission

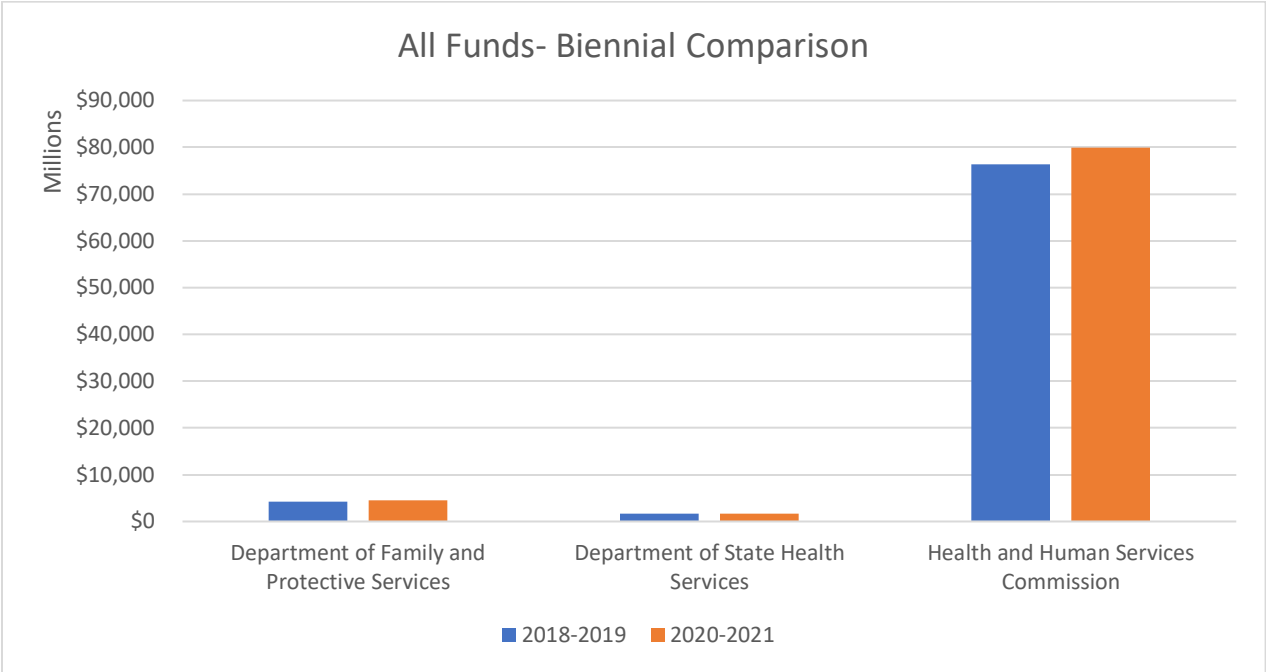
\$99,663,654 (8.6%)

The Texas Veterans Commission is responsible for advocating and providing services to Veterans. Funding includes:

- \$2,336,620 and 15 FTEs to fill vacancies in claims representation and counseling to meet demand for assistance in rural areas.
- \$504,448 and 4 FTEs were provided for the Women Veterans program to provide services to women veterans within 4 different regions. Prior to this, there was 1 FTE responsible for the whole state.
- \$1,188,958 and 3 additional FTEs for the Veteran Entrepreneur Program to connect veteran entrepreneurs to resources within metropolitan cities in Texas.
- \$4 million for veteran treatment court grants.



ARTICLE II- HEALTH AND HUMAN SERVICES



Agency	2018-2019 (LBB Summary of HB1)	2020-2021 (HB1)	Difference	% Change
Department of Family and Protective Services	\$4,175,100,000	\$4,527,713,491	+\$352,613,491	8.4%
Department of State Health Services	\$1,688,200,000	\$1,700,610,882	+\$12,410,882	.7%
Health and Human Services Commission	\$76,381,500,000	\$79,915,179,850	+\$3,533,679,850	4.6%
Total General Revenue & General Revenue Dedicated	\$35,283,200,000	\$35,202,982,805	-\$80,217,195	-.2%
Total All Funds	\$83,584,200,000	\$87,600,524,619	+\$4,016,324,619	4.8%

Health and Human Services Commission

\$79,915,179,850 (4.6%)

HHSC heads all of the state’s health and human service agencies. It is also responsible for implementing and administering Medicaid – including managed care, acute care, vendor drug, long term services and supports, and 1115 waiver programs – as well as the Healthy Texas Women Program (HTW), the Children’s Health Insurance program (CHIP), Temporary Assistance for Needy Families (TANF), and the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps).

Medicaid

The budget allots a total of \$68.6 billion All Funds for the Texas Medicaid program. \$25.6 billion of this is GR and \$100 million represents GR-D funds. This is an increase of \$3 billion All Funds and \$1.1 billion in GR funds above the 2018-2019 biennium allocation

Included in the above amounts is a total of \$63.7 billion for Medicaid client services. This supports caseload growth, maintains fiscal year 2019 costs for most services, and provides funding for cost growth associated with selected costs established by the federal government. These funds do not take cost growth, higher utilization of services, or increased acuity into account, which HHSC estimates the GR costs to be \$1.8 billion.

Funding also covers an increase in attendant wages as well as additional medical and dental services for certain adults enrolled in the Home and Community-based Services (HCS).

Rate increases are provided for consumer-directed services and the HCS waiver; Texas Home Living waivers; inpatient services by rural hospital and intermediate care facilities for individuals with intellectual disabilities.

A more favorable Federal Medical Assistance Percentage (FMAP) resulted in a higher proportion of the program being funded with Federal Funds (FF), which accounts for the decrease of \$1.1 billion in General Revenue (GR), but an overall increase of \$2.7 billion in All Funds.



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

\$2,097.4 million in All Funds designated for Medicaid services for pregnant women.

\$100.9 million in All Funds, \$39 million of which comes from GR, provides 2,476 additional HCS waiver slots for Promoting Independence, which allows an individual with a disability to live in the most appropriate care setting available. It also funds the beginning of the transition from institutionalized settings to individualized skills and socialization required by the federal government. This was funded at 25% of the agency's request.

1115 Waiver

The Texas Medicaid 1115 Transformation waiver allows the state to extend Medicaid managed care, to the great majority of Medicaid enrollees, while preserving supplemental hospital funding, and directing incentive payments, to innovative care delivery projects across the state. Much of the 1115 waiver funds are being phased out by the federal government with an end date of September 2022. With \$3.8 billion at risk for Uncompensated Care costs (UC pool funding) and \$810 million at risk (in Delivery System Reform Incentive Payment (DSRIP) funds) and in the 2020-2021 biennium, this could leave Texas with a substantial shortfall of uncovered medical costs after the waiver expires, resulting in more Texans without accessible healthcare and much-needed services.

Additionally, Texas HHSC has requested a separate 1115 waiver, to draw 90% federal Medicaid matching dollars for the Healthy Texas Women's Program, despite exclusion of Planned Parenthood from the family planning provider network for that program. This waiver request has been pending since 2017 and has not been approved.

Children's Health Insurance Program (CHIP)

CHIP covers basic healthcare services for children under 200% of the federal poverty level who do not qualify for Medicaid. CHIP client services are funded at \$2.2 billion in All Funds. This represents a \$186.8 million All Funds increase. Congress has reduced the federal matching funding for CHIP established in the ACA, phasing it back to pre-2015 levels starting in FY 2020 and returning to the original CHIP match rate for FY 2021, requiring an increase in Texas' GR share for the 2020-2021 biennium. The All Funds increase fully covers projected caseload growth and maintenance of 2019 costs.

State Hospitals & State Supported Living Centers (SSLCs)

State Hospitals serve individuals with severe mental health issues. SSLCs provide housing and care services for individuals with intellectual and developmental disabilities.

- \$912.8 million in All Funds for state hospitals. This represents an increase of \$108.7 million in All Funds.
- \$823.8 million for capital needs at State Hospitals. This represents an increase of \$443.3 million in All Funds.
- \$658.6 million from the ESF for pre-planning, planning, and construction of new state hospital facilities. This includes:
 - \$594.6 million in ESF for State Hospital Construction. This item is funded at 84.7 % of the agency request.
 - \$31 million in ESF for State Hospital Planning. This funding would be used to plan a new state hospital in Dallas and a new state hospital in the Panhandle Region. This request is funded at 93.9% of the request.
 - \$33 million in ESF for State Hospital Pre-Planning. This funding would be used to pre-plan and plan replacement campuses for the North Texas State Hospital Wichita Falls and Terrell State Hospital. This is funded at 94.3% of the agency request.
- \$126.6 million for State Hospitals and State Supported Living Center Client services. This includes revenue state hospitals were unable to collect, cost growth, and Hepatitis C treatment.
- \$42.4 million for major building fleet and equipment failures at State Hospitals and State Supported Living Centers. This item supports 242 projects to address health and safety repairs.

Early Childhood Intervention Services (ECI)

ECI serves the needs of children with developmental delays. This is known to exponentially reduce state costs through early intervention, thus reducing the necessity for future services. A combination of legislated budget cuts and policy changes has reduced Texas' ECI per-child funding in the last decade.

\$372.8 million in All Funds. This represents a \$83.4 million increase from the 2018-2019 biennium.

Women's Health Programs (Healthy Texas Women)

The Women's Health Programs strategy is a 100% General Revenue funded program, providing family planning services (FPL) and annual exams to women ages 18 to 44 who are at or below 185% of the FPL and do not qualify for Medicaid. There are no federal matching funds included, because the Texas Legislature directed HHSC to exclude Planned Parenthood from the program, which disqualified the program from receiving the federal Medicaid funds. Historically, Texas used to receive a 90/10 percent match from the federal government prior to excluding Planned Parenthood. Now the program is fully funded using General Revenue.



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

\$366.9 million in All Funds, this is an increase of \$87.9 million from the 2018-2019 biennium. These funds provide for caseload and cost growth.

\$8 million to allow bulk purchasing of long-acting reversible contraceptives (LARC). This is a method of birth control that provides effective contraception for a longer period of time.

Alternatives to Abortion (ATA)

Provides a total of \$38.4 million All Funds in the ATA strategy to expand crisis pregnancy centers (CPCs) that offer counseling to pregnant women. These funds are currently nontransferable to any other strategy. Crisis pregnancy centers do not provide medical services, have no measurable deliverables, and are not given oversight regarding the use of state dollars or accuracy of medical information disseminated.

Substance Use Disorder Treatment

\$485.7 million in All Funds. This is a decrease of \$31.9 million in All Funds. This decrease is primarily due to a projected decrease in the Opioid State Targeted Response federal grant. Out of these funds, \$50 million is directed to increase rates for substance abuse treatment. \$35 million is for across the board treatment, while \$14 million is designated for women with children in hopes of reducing the treatment waitlist for these women.

Additionally, the agency will record the percent of people receiving indigent care substance abuse services with medication assisted treatment, report on Hepatitis C treatment access, and conduct a study on substance abuse treatment services.

Intellectual or Developmental Disabilities (IDD) Services

\$22.8 million for IDD crisis continuum of care. This includes maintaining funding for enhanced community coordination and transition support teams. It would establish outpatient mental health services and expands crisis intervention and respite services. This is funded at 49.1% of the agency request.

\$95.1 million in All Funds (\$37.4 million GR) for transition day habilitation services to individualized skills and socialization for individuals in the Home and Community based Services. This is funded at 33.3% of the agency request. \$37.4 million of the funds will come from the GR.

\$22.4 million in All Funds (\$8.6 million GR) for medical and dental services for individuals with IDD and high medical needs (HMN) in Home and Community based Services.

\$9.3 million for specialty services for individuals with IDD.

Texas Civil Commitment Office (TCCO)

TCCO provides treatment and supervision to civilly committed sexually violent offenders.

Funding includes:

- \$37.8 million in All Funds. This provides for caseload growth and funds to increase facility capacity.
- Additionally, \$267.7 million for offsite healthcare for civilly committed sexually violent predators. This was funded at 50% of the agency request.

Other Funding:

- \$39.4 million for 75 additional inpatient psychiatric beds. These 75 beds would clear the back log.
- \$31.1 million to expand mental health capacity at Local Mental Health and Behavioral Health Authorities. This will address the increasing demand due to population growth. This represents 70.8% of the agency request.
- \$11.8 million to increase services in the Children's Community Mental Health program.
- \$3.6 million to investigate illegal child-care operations in Texas.
- \$142.1 million in All Funds (\$8.6 million GR) for Rural Hospital Rate Increases.
- \$2.7 million to expand residential treatment center beds for children.
- \$10 million for CAC and CASA programs for child victims of sexual assault.
- \$7.8 million total for a rate increase for the home delivered meal program.
- \$25 million to continue jail-diversion program.

Department of Family and Protective Services (DFPS)

\$4,527,713,491 (8.4%)

DFPS administers Child Protective Services (CPS), Adult Protective Services (APS), child care regulatory services, and prevention and early intervention services.

CPS

\$3.9 billion in All Funds is designated for CPS. This includes \$2.2 billion in GR. This represents a \$311.8 million increase in All Funds and a \$197.2 million increase in GR from the 2018-2019 biennium.

Funding includes:



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

- a total of \$2 billion in All Funds and \$936.9 million in GR for client services programs. This includes services such as foster care, adoption subsidies, permanency care assistance payments, relative caregiver payments, day care, and \$42.2 million in All Funds (\$32 million in GR) for foster care rate increases.
- \$46.2 million All Funds for funding and staff to achieve 2018-2019 caseload ratios in CPS. This item is partially funded at 81% of the agency request. \$41.6 million of this will come from the GR.
- \$5.1 million in All Funds for Community Based Care start-up funding for Stage 1 in two new regions and into Stage 2 in Region 3B (Fort Worth). This is funded at 22.9% of the agency request. Of the \$5.1 million, \$4.6 million will be from the GR.
- \$500,000 for the Preparation for Adult Living (PAL) programs. This represents half of the agency request.

Prevention Services

\$1.5 million to expand Healthy Outcomes through Prevention and Early Support (HOPES) program to more regions. This represents 14.9% of the agency request.

\$3.8 million to expand the Texas Nurse Family Partnership (TNFP) to more regions. This represents 64.9% of the agency request.

APS

\$119.8 million designated for APS direct delivery staff. This provides additional FTE positions and salary increases to maintain the caseload-per-worker ratio.

Other Services:

- \$15.9 million in All Funds for child care facility investigators and other direct delivery staff. These funds will be used to hire 129.2 FTEs. This item is fully funded. \$15.7 million of the funds come from the GR.
- \$10 million in GR for Children Assessment Centers (CACs) and Court Appointed Special Advocate (CASA) programs for child victims of sexual assault.

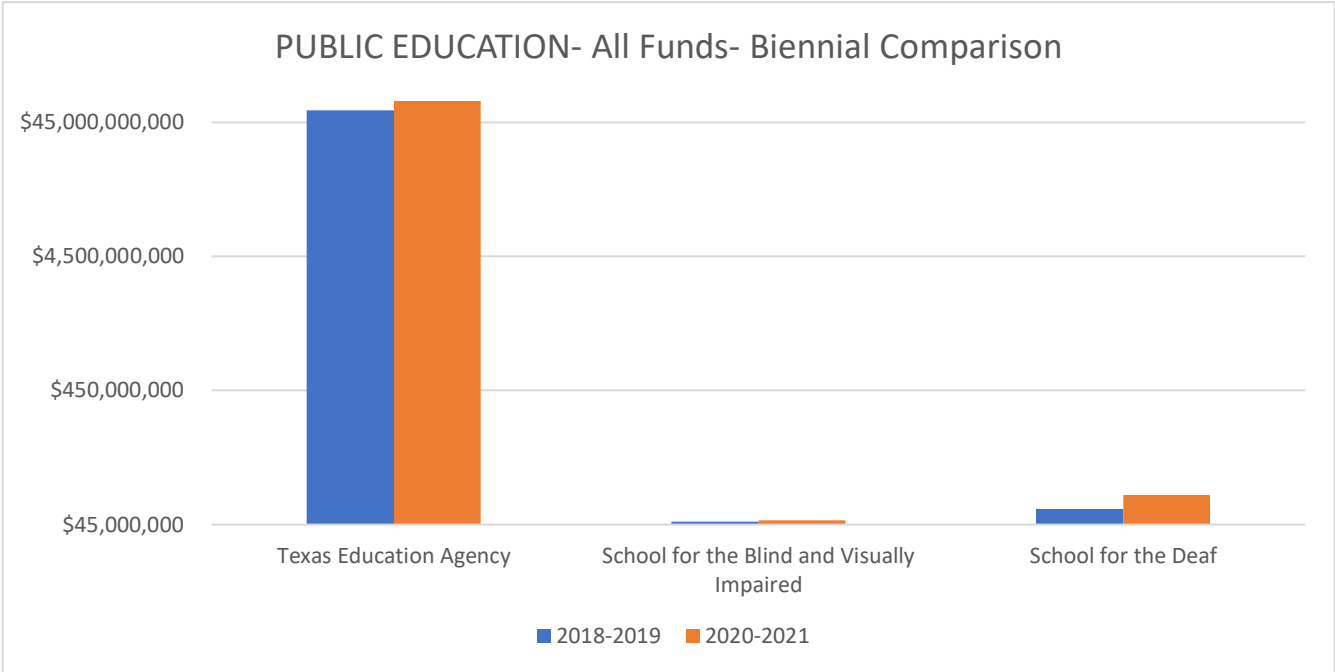
Department of State Health Services

\$1,700,610,882 (.7%)

- \$251.8 million for EMS and Trauma Care Systems.
- \$35 million in ESF for repair and renovation of the Austin laboratory generator and renovation of the South Texas and Austin laboratories, upgrades to the laboratory information management software application, and acquisition of laboratory equipment.
- \$7 million contingent on legislation to address the maternal mortality and morbidity crisis through the Texas Alliance for Innovation in Maternal Health (Texas AIM).
- \$3.96 million designated for X-ALD (a chromosomal order known as X-linked adrenoleukodystrophy) funding in the base budget.
- \$22.6 million for the state public health laboratory and additional staff to attend to the increase testing volumes.
- \$15.9 million to detect and control the spread of Tuberculosis.
- \$8.4 million for immunization activities to offset a decrease in Federal Funds.
- \$3 million for tobacco prevention education.
- \$2.4 million to improve infectious disease response through the Texas Enhancement of the National Electronic Disease Surveillance System.



Article III - EDUCATION



Agency	2018-2019(LBB Summary of HB 1)	2020-2021 (HB 1)	Difference	% Change
Texas Education Agency	\$55,352,900,000	\$64,724,931,295	+\$9,372,031,295	16.9%
School for the Blind and Visually Impaired	\$47,200,000	\$48,453,854	+\$1,253,854	2.7%
School for the Deaf	\$58,900,000	\$74,838,770	+\$15,938,770	27.2%

Texas Education Agency (TEA)
\$64,724,931,295 (16.9%)

The TEA distributes funds to public school districts and charter schools. School finance in Texas has seen decades of lawsuits regarding inadequate and inequitable funding related to dramatic differences in property values among local school districts. Additionally, the Courts have not defined “adequate funding.” An interim commission appointed by the 2017 Legislature held hearings throughout 2018 and issued a report in December on suggested changes to how Texas pays for schools.

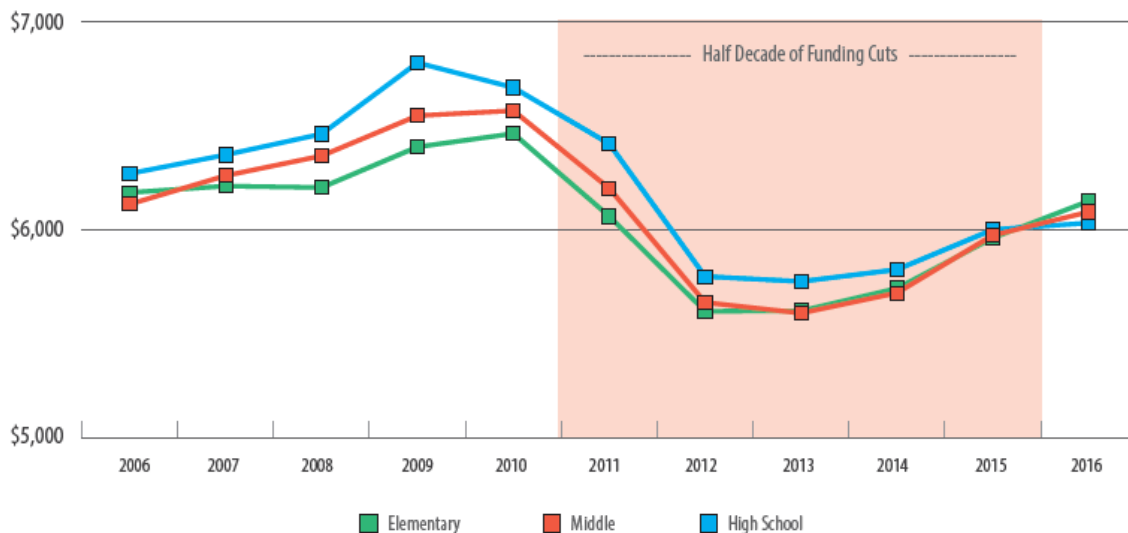
The 2006 school finance “tax swap” plan created a structural revenue deficit for public education. Struggling to cope with the 2006 “tax swap” deficit and a state revenue decrease, legislators cut \$5.4 billion from public education, slashed \$550 in per pupil funding, and ended full day pre-K grants and other programs. In 2013, the legislature restored \$3.4 billion to public education, and in 2015 and 2017 required districts to use property tax revenue from higher property values and cut state funding by that amount, shifting 62% of education funding to local property taxpayers while the state share dropped to 38%.



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

Educational spending declines for all students



Note: Chart provides expenditures on basic, accelerated, special, bilingual instruction, and career and technical education per student adjusted for inflation at the campus level. Spikes in expenditures seen during the 2009 school year and the declines in 2010 and 2011 are due in part to a temporary influx of one-time federal funding through the American Recovery and Reinvestment Act. Source: Texas Education Agency, PEIMS financial reports.

Source: Texas Education Agency PIEM Student Enrollment Data.

Foundation School Program (FSP)

The Foundation School Program provides state aid to school districts and charter schools.

CSHB1 appropriates a total of \$52.6 billion for the Foundation School Program. GR accounts for \$41.3 billion, which is an increase of \$7 billion in GR funds from the 2018-2019 biennium. \$9 billion in GR is represented beyond what current law would require for the school formulas. These funds are contingent on HB 3 or similar legislation that would increase the state share, enhance district entitlement, reduce recapture, and provide local property tax relief, while maintaining an equitable school finance system.

Other 2020-2021 funding includes:

- \$54.5 million in All Funds for the Safe and Healthy Schools Initiative. This is a new initiative meant to support student mental health and positive school culture. This would provide for 6 FTE's.
- \$10 million for grants for students with autism, aside from what is included in the allotment.
- \$10 million for grants for students with dyslexia, aside from what is included in the allotment.
- \$20 million for Communities in Schools.
- \$10 million to open education resource instruction materials for dual credit courses.
- \$5.5 million increase over the previous biennium for the Adult Charter School.
- \$1.7 million increase over the previous biennium for the Texas Advanced Placement Initiative.

Windham School District

The Windham school district provides high school equivalency and technical education to the state's adult prisoner population.

Funding includes:

- \$104.4 million for the Windham School District. Currently, the Windham School District operates under the same school year as other TEA schools. This means they observe summer break, spring break, and winter break. This is unnecessary as the school district serves incarcerated individuals. Additional funding could allow the school district to operate year-round.

Special Education

\$2.3 billion for students with disabilities.

\$50.5 million in GR for the new Special Education Supports Initiative to provide grants for compensatory services to students in accordance with the Individuals with Disabilities Education Act (IDEA).

Texas School for the Blind and Visually Impaired

\$48,453,854 (2.7%)



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

The Texas School for the Blind and Visually Impaired is a state school established to provide specialized services for student who are blind and visually impaired, such as opportunities for residential living skills training.

Funding includes:

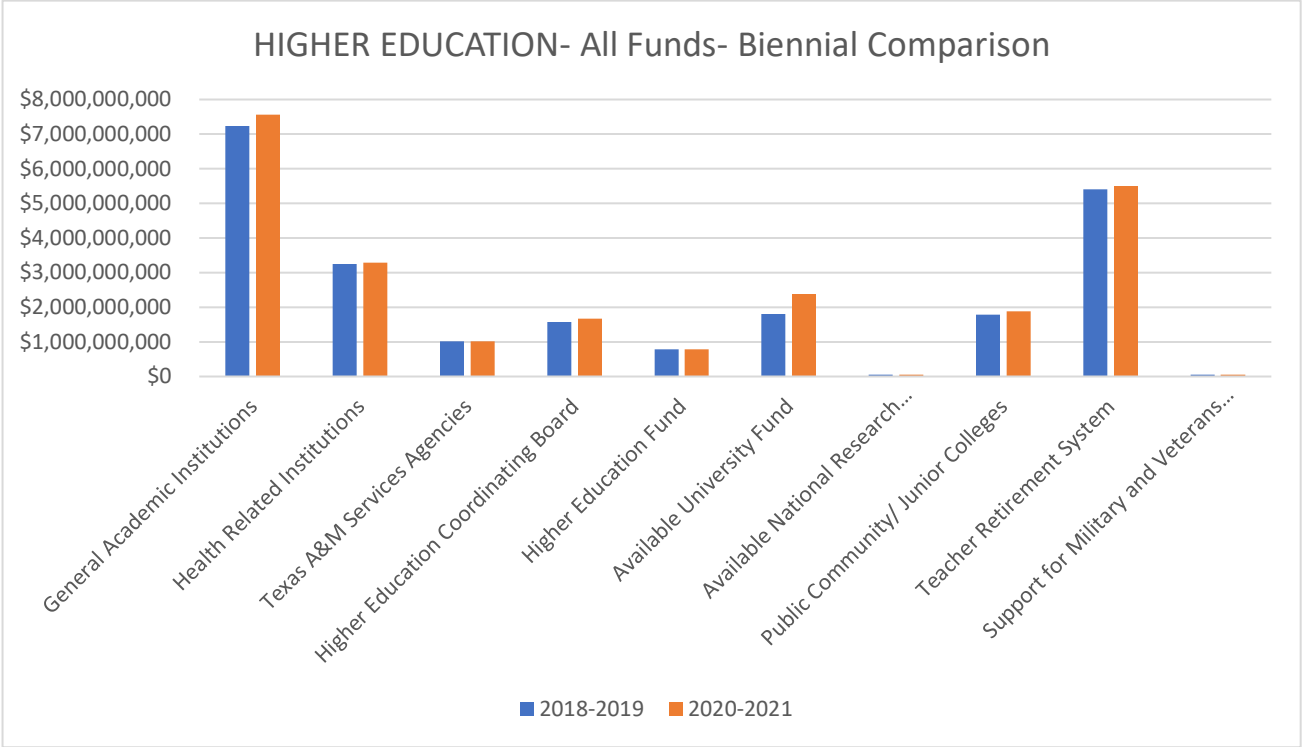
- \$0.8 million from ESF for campus safety infrastructure.

Texas School for the Deaf

\$74,838,770 (27.2%)

Texas School for the Deaf is the only school of its kind in the state which offers a continuum of educational support through various services, such as academic curriculum and employability skills.

- \$1.1 million for campus safety staff and infrastructure.



Agency	2018-2019 (LBB summary of HB 1)	2020-2021(HB 1)	Difference	% Change
General Academic Institutions	\$7,239,100,000	\$7,451,600,000	+\$212,500,000	2.9%
Health Related Institutions	\$3,255,900,000	\$3,305,300,000	+\$49,400,000	1.5%
Texas A&M Services Agencies	\$1,025,100,000	\$1,024,850,446	-\$249,554	0
Higher Education Coordinating Board	\$1,583,600,000	\$1,676,576,790	+\$92,976,790	5.9%
Higher Education Fund	\$787,500,000	\$787,500,000	0	0
Available University Fund	\$1,800,547,973	\$2,384,733,000	+\$584,185,027	32.4%
Available National Research University Fund	\$46,326,661	\$50,225,534	+\$3,898,873	8.4%
Public Community/ Junior Colleges	\$1,794,500,000	\$1,873,170,544	+\$78,670,544	4.4%
Teacher Retirement System	\$5,403,400,000	\$5,498,226,908	+\$94,826,908	1.8%
Support for Military and Veterans Exemptions	\$47,260,506	\$47,837,074	+\$576,568	1.2%
Article III Total General Revenue & General Revenue Dedicated	\$59,280,900,000	\$66,307,549,384	+\$7,026,649,384	11.9%
Article III Total All Funds	\$81,229,000,000	\$91,567,302,865	+\$10,338,302,865	12.7%

Available University Fund
\$2,384,733,000 (32.4%)

The Available University Fund provides funding for most institutions and agencies in the University of Texas System and the Texas A&M University System.

- Funding includes:
- \$783.4 million for the Texas A&M University System
 - \$1,601.3 million for the University of Texas System

Higher Education Coordinating Board
\$1,676,576,790 (5.9%)

The Higher Education Coordinating Board is the highest authority in the state on public higher education matters.

- Funding includes:
- \$866.4 million for Texas Grants. This is an increase of \$79.9 million and would support 70% of eligible students at a \$5,000 award amount. Texas Grants provides grants to students in good



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

academic standing who demonstrate financial need. This represents 71% of the agency request, additional funds would increase award amounts by 2.5%.

- \$95.9 million for Texas Equalization Opportunity Grants (TEOG). TEOG provides grants to students in good academic standing who demonstrate financial need attending junior and community colleges. Junior College (JUCO) students receive higher debt per cost than university students. More funds towards this program would greatly benefit students across the state.
- \$157.2 million for Graduate Medical Education Expansion. This represents an increase of \$60 million from the 2018-2019 biennium.

The Top 10 Percent Program has been phased out completely for the 2020-2021 biennium. This represents a decrease of \$3.2 million.

General Academic Institutions (GAIs)

\$7,451,600,000 (2.9%)

Formula Changes:

- Total \$3.6 billion in GR in the I&O and infrastructures.
- General Academic Institutions Instruction & Operations (I&O) – New rate is \$56.97 per weighted semester credit hour. HB 1 introduced rate was \$55.82.
- Lamar I&O – New rate is \$5.38 per square foot. HB introduced rate was \$5.23.
- All infrastructure – New rate is \$5.52 per square foot. HB 1 introduced rate was \$5.41.
- Total increase of \$19.5 million for the small institution supplement. This would increase the threshold to 20,000 and maintain the \$1.5 million.
- \$35 million for Texas Research Incentive Program (TRIP).
- \$117.1 million for Core Research Support (CRS).
- \$14.3 million for the Comprehensive Research Fund (CRF).

Health Related Institutions (HRIs)

\$3,305,300,000 (1.5%)

Health Related Institutions Formula Changes:

- Total of \$2 billion I&O Support, Infrastructure Support, Research Enhancement, GME MD Anderson Center, UT Tyler Chest Disease.
- I&O-new rate is \$9,692. HB 1 introduced rate was \$9,431.
- Infrastructure – new rate is \$6.27 per square foot. HB 1 introduced rate was \$6.11.
- Research Enhancement new rate 1.22%. HB 1 introduced rate was 1.16%.
- GME Expansion \$5,992 per medical resident. HB 1 introduced rate was \$5,824.
- Cancer Patient – new rate \$1,697 per cancer patient. HB 1 introduced rate was \$1,650.
- Chest Center – new rate is \$189 per chest disease patient. HB 1 introduced rate was \$187.

Public Community and Junior Colleges

\$1,873,170,544 (4.4%)

Formula Changes:

- Total increase of \$1.84 billion
- Core Operations new funding is \$1.43 million for each community college district.
- Success Points – new rate is \$215 per student who meet metrics such as receiving a degree or completing at least 15 semester credit hours and transferring to a four-year institution. The HB 1 introduced rate was \$171.56 per student.

Teacher Retirement System (TRS)

\$5,498,226,908 (1.8%)

The Teacher Retirement system is an employment benefit plan for current and previous public and higher education teachers. Funding for TRS is comprised of state contributions for retirement and health care benefits for employees of public schools, higher education institutions, and retired teachers. The state contribution for active employee healthcare has not increased since the program was created by the legislature in 2001. These are based on payroll amounts from active members. Due to healthcare costs growing at a rate much faster than education payroll contributions, TRS currently has a 99 year funding period.

\$5.5 billion in All Funds

\$4.1 billion in All Funds for the current law state contribution for retirement benefits of the TRS.

TRS-Care, the retiree health insurance, is funded at \$1.1 billion in All Funds. This includes \$879.4 million in GR to provide a statutorily required state contribution to TRS-Care of 1.25% of public education payroll. Funding also includes \$230.8 million above statutorily required amounts from the ESF to maintain 2019 premiums and benefits.



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

Funding assumes 3.9% annual public education payroll growth across retirement and TRS-Care strategies and 5.6% annual higher education payroll growth. This is based on trend data.

Support for Military and Veterans Exemptions

\$47,837,074 (1.2%)

The Hazelwood Program is a tuition exemption for veterans that can be used for 150 credit hours at any public institution of higher education. Through the legacy program, a veteran may transfer their exemption and pass it to their dependent. The program was originally designed for Texas Veterans, but in 2015 a US District Judge ordered that this provision be extended to all veterans. Universities are required to issue the tuition exemption, even if the Legislatures continues to underfund the program. This results in increased tuition and fees for other students in order to cover the shortfall.

\$30 million to reimbursements for Hazelwood exemptions. Many institutions of higher education expressed that the Hazelwood program is a large financial burden. They expressed that they do not want the program to end. However, institutions end up paying more than their fair share in exemptions.

In order for institutions to reach the 60x30 goals that the legislature has given them, the state needs to significantly increase the state share. The historical disinvestment from the state into higher education can be blamed for low graduation rates and sky rocketing costs.

Higher Education

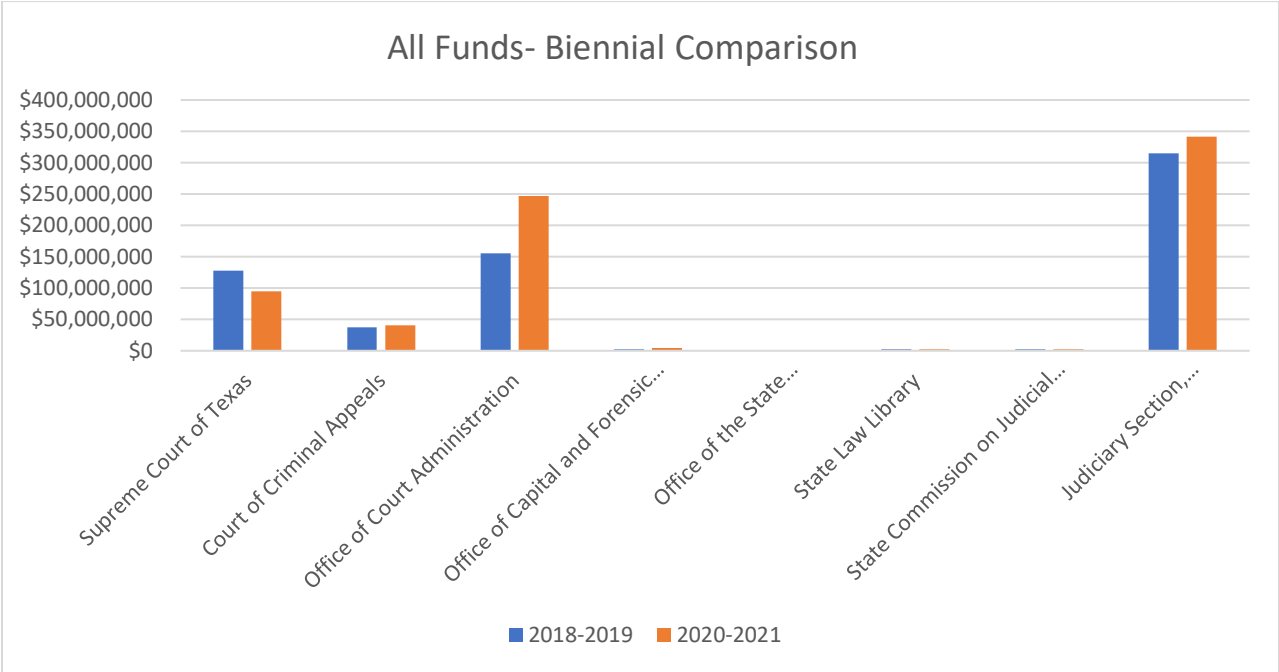
\$20 million for Texas Tech University Health Sciences Center's Telemedicine Wellness Intervention Triage and Referral (TWITR) Program.

\$7.2 million increase in funding over 2018-19 for the School Safety Center at Texas State University.

\$4.0 million for Advanced Law Enforcement Rapid Response Training at Texas State University.



Article IV- The Judiciary



Agency	2018-2019(LBB summary of HB 1)	2020-2021(HB1)	Difference	% Change
Supreme Court of Texas	\$127,400,000	\$95,154,002	-\$32,245,998	-25.3%
Court of Criminal Appeals	\$37,400,000	\$40,874,880	+\$3,474,880	9.2%
Office of Court Administration, Texas Judicial Council	\$155,300,000	\$247,059,705	+\$91,759,705	59.1%
Office of Capital and Forensic Writs	\$2,700,000	\$4,367,236	+\$1,667,236	63.3%
Office of the State Prosecuting Attorney	\$900,000	\$930,000	+\$30,000	8.5%
State Law Library	\$2,100,000	\$2,227,506	+\$127,506	8.6%
State Commission on Judicial Conduct	\$2,300,000	\$2,587,701	+\$287,701	14.1%
Judiciary Section, Comptroller's Department	\$315,300,000	\$341,592,363	+\$26,292,363	8.3%
Total General Revenue & General Revenue Dedicated	\$631,800,000	\$757,826,745	+\$125,926,745	19.9%
Total All Funds	\$857,100,000	\$955,008,403	+\$97,908,403	11.4%

Supreme Court of Texas

\$95,154,002 (-25.3%)

The Supreme Court is made up of the chief justice and eight additional justices. They represent the last resort for civil matters in the state of Texas. The decrease in funding is due to onetime civil penalties awarded to the state in the 2018-2019 biennium. Funding for the Supreme Court of Texas includes:

- \$10 million for Basic Civil Legal Services for Victims of Sexual Assault.
- \$6 million for Basic Civil Legal Services for Veterans to be used for grants to provide legal aid, legal clinics, and other legal services.
- \$2.4 million for Basic Civil Legal Services. This funding puts the agency back at 2010-2011 funding.
- \$1 million for the Children’s Commission to provide the Office of Court Administrations Child Support Courts with training, to provide up to date policies and practices on abused and neglected children and to hire two staff attorney positions.
- \$400,000 for Basic Civil Legal Services for low income populations. This funding puts the program back at 2016-2017 funding levels.

Office of Court Administration (OCA), Texas Judicial Council

\$247,059,705 (59.1%)

Office of Court Administration (OCA)



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

The Office of Court Administration provides resources and information for the administration of the Judicial Branch of Texas.

Funding includes:

- \$29.7 million in ESF to create a statewide case management system to provide magistrates in counties with a population of 20,000 or less, access to information. This would impact approximately 130 counties.
- \$12.7 million in All Funds for 33 Child Protection Courts. This provides funding for 9 additional courts in areas with large caseload to promote faster resolutions. These courts will be located in Northeast Texas, Southeast Texas, Brazos River Valley, Dallas Co., Bell Co., Taylor Co., Brazoria Co. One will serve combined areas of Grayson Co., Cooke Co., and Wise Co. One will serve combined areas of Hood Co., Johnson Co., Somerville Co., Bosque Co., and Hill Co.

Texas Judicial Council

The Texas Judicial Council studies and reports on the organization and practices of the Texas Judicial Branch. They are the policy-making body for the Texas Judiciary. Within this agency is the Texas Indigent Defense Commission. This agency was created as a support system for counties in establishing, developing, and maintaining cost-effective indigent defense services. Funding provides a total of \$104.4 million, representing a \$38 million increase from the 2018-2019 biennium. For years, the state has allowed counties to pick up the tab for this item. Currently, Texas provides 15% of funding of indigent inmate defense.

Funding also includes \$10 million in GR for a pilot project to provide grants to public defender offices for early identification and specialized representation of indigent defendants with mental illness

Court of Criminal Appeals

\$40,874,880 (9.2%)

The Court of Criminal Appeals is the highest court for criminal cases in Texas.

Funding includes:

- \$27.4 million in General Revenue Dedicated funds for the Judicial Education grant program for the purpose of continuing legal education and technical assistance of judges, court staff, prosecuting attorneys and criminal defenses attorneys. This includes indigent defense training and innocence training.

Judiciary Section, Comptrollers Department

\$341,592,363 (8.3%)

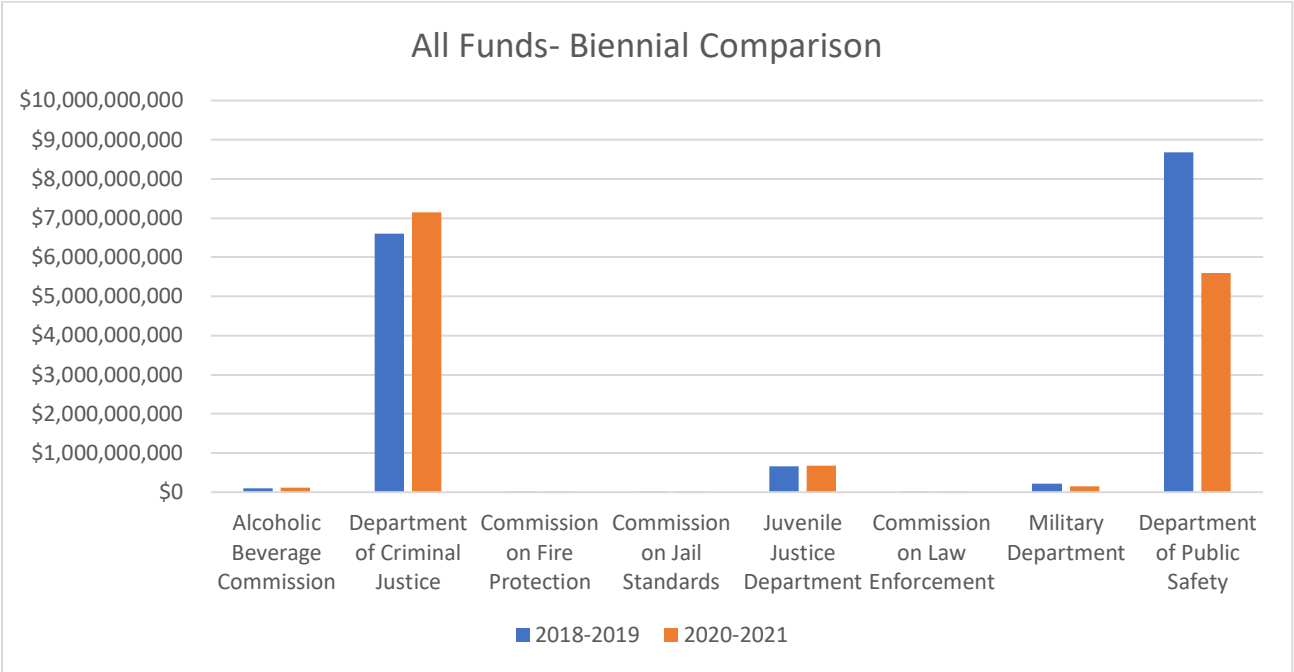
The Judiciary Section of the Comptrollers Department coordinates the payment of salaries and expenses for all state district judges, district attorneys and other prosecutors in Texas. Funding includes:

\$31.3 million in GR for judicial salary increases for state district judges and those positions statutorily linked to district judge salaries. This equates to a 10% salary increase. These funds are contingent on the enactment of HB 2384 or similar legislation.

\$108,895 in all funds for indigent inmate defense.



Article V- Public Safety and Criminal Justice



Agency	2018-2019 (LBB summary of HB 1)	2020-2021 (HB1)	Difference	% Change
Alcoholic Beverage Commission	\$99,500,000	\$111,893,965	+\$12,393,965	12.5%
Department of Criminal Justice	\$6,606,300,000	\$7,142,632,536	+\$536,332,536	8.1%
Commission on Fire Protection	\$3,900,000	\$3,951,554	+\$51,554	.2%
Commission on Jail Standards	\$3,700,000	\$2,880,838	-\$819,162	-21.9%
Juvenile Justice Department	\$661,100,000	\$677,766,516	+\$16,666,516	2.5%
Commission on Law Enforcement	\$7,900,000	\$8,479,556	+\$579,556	7.1%
Military Department	\$222,900,000	\$157,440,892	-\$65,459,108	-29.4%
Department of Public Safety	\$8,684,900,000	\$5,493,600,000	-\$3,191,400,000	-36.7%
Total General Revenue & General Revenue Dedicated	\$11,364,100,000	\$11,734,263,367	+\$370,163,367	3.3%
Total All Funds	\$18,378,500,000	\$15,884,340,776	-\$2,494,159,224	-13.6%

***Note: Sunset recommendations have been submitted in HB 1326 for the Texas Military Board, which would put more regulations around third party companies associated with burn pits.**

*** Sunset recommendations have been submitted in HB 1530 for the Department of Public Safety, which would move the Drivers License Program to the Department of Motor Vehicles.**

Texas Department of Criminal Justice (TDCJ)
\$7,142,632,536 (8.1%)

TDCJ encompasses housing, security, classification, food, healthcare and treatment services for adults who are incarcerated. In the past six years the prison population has decrease from approximately 156,000 individuals to 144,600 individuals. The need for increased funds is due to the aging of our prison population, bringing about chronic diseases, more intensive treatments, and the need for mobility aides. Additionally, the increasing number of individuals with mental health issues puts strains on already scarce resources and capacity.

Funding includes:

- \$1.3 billion in All Funds for Correctional Managed Health Care. This includes \$160 million to fund the program at 2018-2019 expenditures levels. \$12.9 million for an IT upgrade, and \$9 million for provider staff salary increases. \$4.1 million in ESF funds for capital equipment needs, including x-rays, dialysis machines, dental chairs and hospital beds.
- \$168.1 million for salary increase for Correctional Officers and Parole Officers.
- \$100.1 million from ESF for deferred maintenance projects



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

- \$54 million for repairs and renovations have to do with health and safety issues. This is the full amount requested.
- \$46.1 million for deferred maintenance. This represents half of the requested amount and will be paid for with ESF funds.
- \$26 million for video surveillance cameras at all remaining maximum- security units.
- \$13 million to expand sheltered housing beds at the Murray and Stiles Units.
- \$8.3 million for the Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI). This would expand jail diversion services in rural areas and expand specialized caseloads. This represents 63% of the agency request.
- \$4 million in pretrial diversion grants for counties to serve an additional 4,450 offenders annually. Pretrial diversion saves the state money and lessens the amount of people awaiting trials. This represents half of the requested amount and will be funded with ESF. These funds are directed by rider 59 to give first preference to departments that serve counties wishing to expand such programs to state jail felony defendants.
- \$2 million for vocational training to serve an additional 2,500 offenders.
- \$2 million in GR for the Body Worn Camera Pilot Program. This program would be for the facilities serving the highest number of rule violations for both male and female facilities.
- \$2 million for a pilot program for reentry services for offenders being released from TDCJ returning to the Houston and Dallas area. These funds will be split evenly between the City of Houston and the City of Dallas.

Additionally, TDCJ will now submit an annual report on the temperature of uncooled jail cells between the months of April and September every day at 3 pm.

Texas Juvenile Justice Department

\$677,766,516 (2.5%)

Texas Juvenile Justice Department is responsible for housing, security, classification, food, healthcare and treatment services for children who are incarcerated.

Funding includes:

- A total of \$11.6 million for partially restoring base reduction. This consists of funding to increase basic probation supervision, fund state secure-operated facilities at \$159.35 a day, and funding contract residential placements at a cost per day of \$197.70. \$2.8 million will be allotted for the purpose of pay parity to TJJD correctional and probation officers equitable with TDCJ officers.
- \$3.2 million for body worn cameras in state operated facilities.
- \$5.5 million for additional Regional Diversion Alternative placements and services.
- \$5 million to address repair and rehabilitation needs at state facilities.
- \$2.6 million in GR for probation basic supervision, state-operated secure facilities, halfway houses, contract residential placements, and parole supervision services.

Department of Public Safety

\$5,493,600,000 (-36.7%)

The Department of Public Safety is responsible for highway patrol and traffic enforcement, driver's license services, crime laboratories, vehicle inspections, border security, emergency management, the compassionate use program, and the Texas Rangers. The decrease in funding is primarily attributed to \$3 billion in one-time federal assistance grants for Hurricane Harvey.

Funding includes:

- \$684.7 million for border security, representing a \$9.5 million decrease from the 2018-2019 biennium due to one time and transitional expenditures. This funding maintains support for DPS personnel at 2019 deployment levels.
 - \$671.1 million for border security initiative, this includes a 50 hour work week for all DPS officers, full cost for 22 Texas Rangers, and 250 new troopers and associated support staff.
 - \$8.6 million from the Economic Stabilization Fund for a new Tactical Training Facility in Cameron Co.
 - \$.5 million in General Revenue for the Texas Transnational Intelligence Center.
- \$7.6 million for crime labs.
- \$4.7 million for additional crime lab equipment funded with Economic Stabilization Fund.
- \$10.4 million for a recovery task force.
- \$4 million in state grants for nonprofit entity designated to preventing and solving crime.
- \$1 million for a statewide safe gun storage campaign.

Contingent on the transfer of the driver's license program to the Department of Motor Vehicles. \$140 million in General Revenue and 2,236.8 FTE's will transfer. An additional \$200 million in General Revenue and 962 FTE's will be provided to increase staffing and improve delivery service.



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

Military Department

\$157,440,892 **(-29.4%)**

The Texas Military Department is made up of three branches of the military: Texas Army National Guard, Texas Air National Guard, and the Texas State Guard.

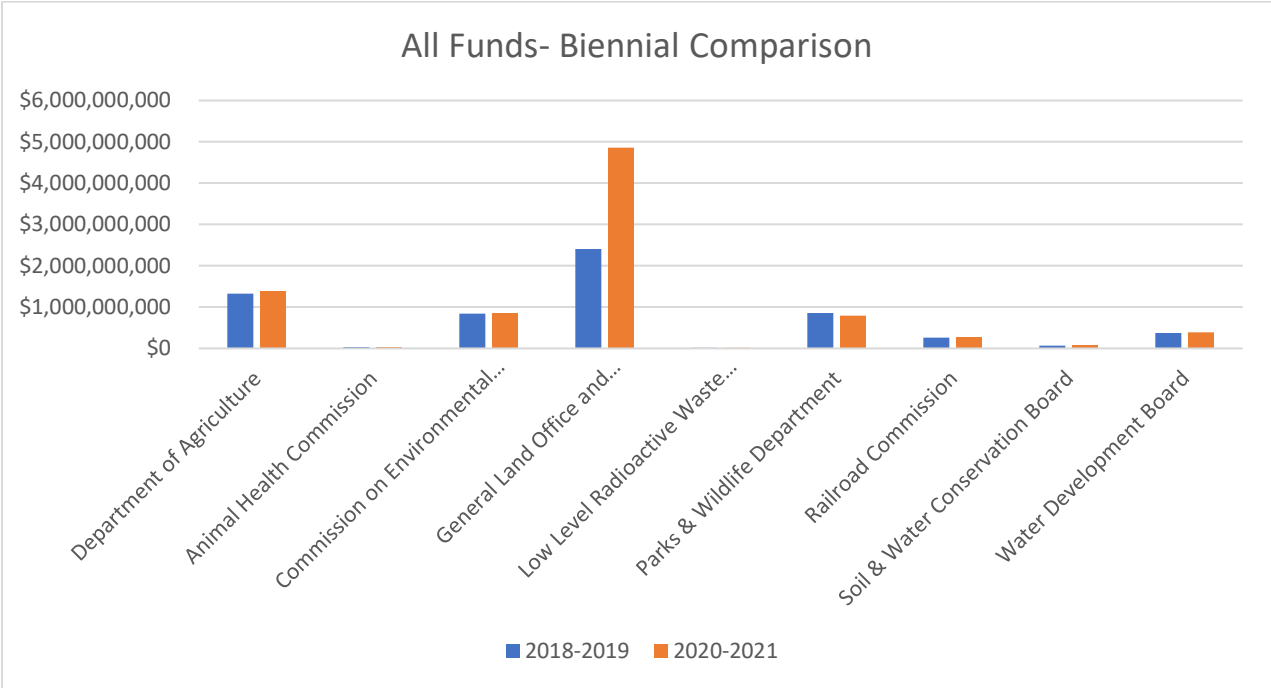
Funding includes:

- \$9.7 million in All Funds for the Challenge Academy. The Challenge Academy is an education program for youth ages 16-18 who are disengaged from school. They offer academic instruction as well as boot camp-like activities.
- \$9.6 million in ESF for the State Armory Revitalization Program and deferred maintenance.
- \$699,000 for Mental Health and Service Member Care. This consists of 1 FTE for behavioral health specialists, 2 FTEs for sexual assault response coordinators, and state military tuition assistance. This was funded at 50% of the agency request.

The All Funds decrease in funding is due to aligning Federal Funds federal matches associated with state funding for Hurricane Harvey disaster and deferred maintenance.



Article VI- Natural Resources



Agency	2018-2019 (LBB summary of HB 1)	2020- 2021(HB 1)	Difference	% Change
Department of Agriculture	\$1,330,000,000	\$1,396,886,863	+\$66,886,863	5.0%
Animal Health Commission	\$32,400,000	\$31,035,853	-\$1,364,147	-4.1%
Commission on Environmental Quality	\$845,300,000	\$865,365,523	+\$20,065,523	2.4%
General Land Office and Veteran’s Land Board	\$2,413,900,000	\$4,859,817,062	+\$2,445,917,062	101.3%
Low Level Radioactive Waste Disposal Compact Commission	\$900,000	\$1,154,328	+\$254,328	30.0%
Parks & Wildlife Department	\$853,300,000	\$792,524,461	-\$60,775,539	-7.1%
Railroad Commission	\$256,100,000	\$283,680,764	+\$27,580,764	10.8%
Soil & Water Conservation Board	\$70,400,000	\$82,107,512	+\$11,707,512	16.7%
Water Development Board	\$369,300,000	\$385,558,426	+\$16,258,426	4.4%
Total General Revenue & General Revenue Dedicated	\$2,277,200,000	\$2,219,380,768	-\$57,819,232	-2.5%
Total All Funds	\$6,566,000,000	\$9,114,954,255	+\$2,548,954,255	38.8%

Department of Agriculture
\$1,396,886,863 (5%)

The Texas Department of Agriculture is responsible for promoting production agriculture, consumer protection, economic development, and healthy living.

Funding includes:

- An increase of \$71.3 million in Federal Funds for food and nutrition programs in schools and communities due to increasing population.
- \$540,000 for the State Office of Rural Health in order to meet the full match for federal grants. With this funding program services will be expanded to all rural hospitals.

Texas Commission of Environmental Quality (TCEQ)
\$865,365,523 (2.4%)

The TCEQ is the main environmental agency for the state.

Funding includes:

- \$154.7 million for TERP.



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

- \$96.6 million for the Low-Income Vehicle Repair, Replacement, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP). LIRAP is a voluntary program for counties that do not meet national standards for air quality and ground-level ozone.
- \$1.5 million for Mobile Air Monitoring. This represents the full request from the agency and is being paid for with ESF funds. This would pay for vehicle upgrades to allow in transit monitoring, optical gas imaging cameras, and an electron microscope.

General Land Office and Veterans Land Board

\$4,859,817,062 (101.3%)

The Texas General Land Office manages state lands, operates the Alamo, helps Texans recovering from natural disasters, helps fund Texas public education through the Permanent School Fund, provides benefits to Texas Veterans, and manages the vast Texas coast.

Funding includes:

- \$2.5 billion increase in Federal Funds for disaster recovery related to Hurricane Harvey.
- An additional \$1.9 billion for short term and community housing projects, and \$96.9 million in All Funds for coastal projects.

Parks and Wildlife Department

\$792,524,461 (-7.1%)

The Texas Parks and Wildlife Department provides outdoor recreational opportunities by managing and protecting wildlife. The department also manages parklands and historic areas.

Funding includes:

- \$12.2 million for park visitation, park usage, and related cost increases. This includes funding to reopen Galveston State Park, 14 park police officers, 32 general state park staff, and minor repairs as well as to replace vehicles at a 10 year or 100,000 mile schedule. This funding will help with issues surrounding long wait times to get into certain parks and issues with inability to accommodate guests due to understaffing. This request is funded at 73.7%.
- \$108.1 million from the ESF for planning, repair, and rehabilitation of facilities.
- \$29 million for border security activities including enhanced game warden activity

Railroad Commission

\$283,680,764 (10.8%)

The Railroad Commission of Texas is responsible for natural resources and the stewardship of the environment.

Funding includes:

- \$2.7 million for additional oil and gas inspectors and pipeline safety inspectors. A total of 22 inspector FTEs each fiscal year.
- \$39.1 million in ESF for oil and gas well plugging and site remediation. This is anticipated to enable the agency to clean 230 sites and plug 1,400 wells each fiscal year.

Soil and Water Conservation Board

\$82,107,512 (16.7%)

The Texas State Soil and Water Conservation Board administers Texas' soil and water conservation law and coordinates conservation and nonpoint source water pollution abatement programs.

Funding includes:

- \$3.8 million for Flood Control Dams.
 - \$3 million of this money is for dam rehabilitation projects that do not qualify for federal funding.
 - \$.8 million is to provide a state match for anticipated Federal Funding. This represents the full request by the agency.

Texas Water Development Board

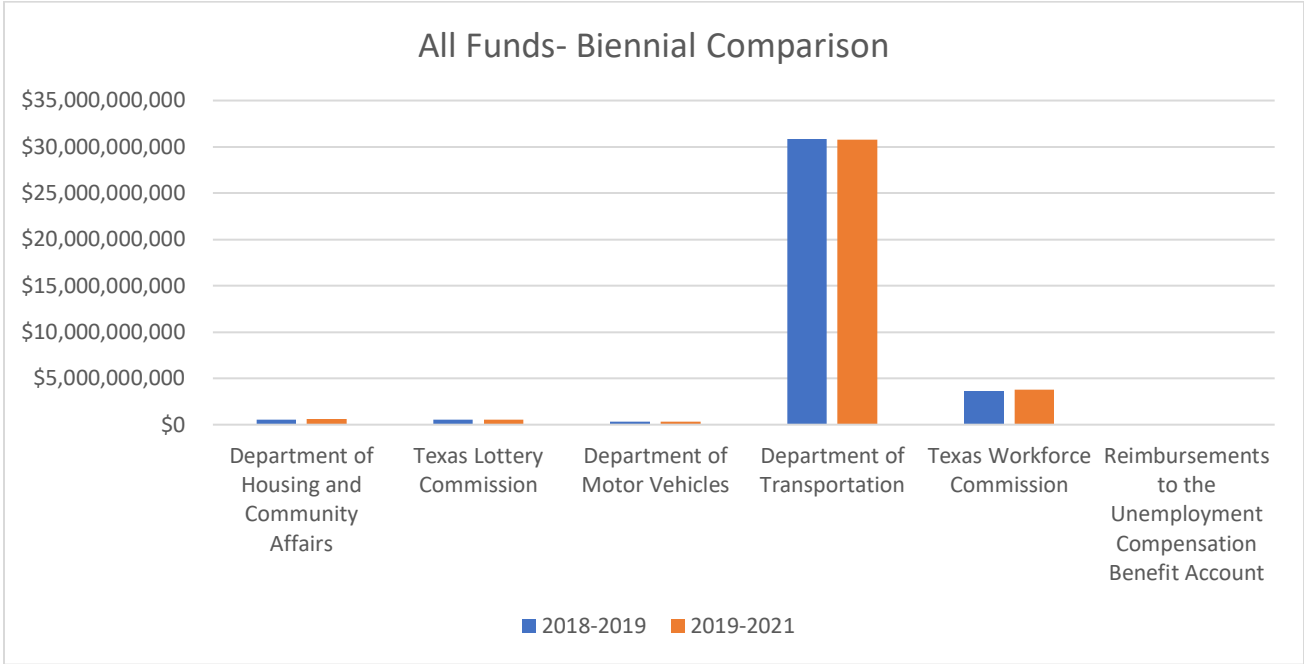
\$385,558,426 (4.4%)

The Water Development Board is responsible for the state's water resources and providing affordable water and wastewater services. Funding includes:

- \$4.4 million in GR for the floodplain mapping and monitoring.



Article VII-Business and Economic Development



Agency	2018-2019 (LBB Summary of HB 1)	2020-2021 (HB 1)	Difference	% Change
Department of Housing and Community Affairs	\$550,400,000	\$576,754,478	+\$26,354,478	4.8%
Texas Lottery Commission	\$535,300,000	\$560,702,346	+\$25,402,346	4.8%
Department of Motor Vehicles	\$328,900,000	\$654,659,381	+\$325,759,381	99.0%
Department of Transportation	\$30,844,800,000	\$31,107,600,000	\$262,800,000	.9%
Texas Workforce Commission	\$3,602,500,000	\$3,794,149,214	+\$191,649,214	5.3%
Reimbursements to the Unemployment Compensation Benefit Account	\$37,800,000	\$37,839,170	+\$39,170	0%
Total General Revenue & General Revenue Dedicated	\$1,068,400,000	\$1,420,894,384	+\$352,494,384	32.9%
Total All Funds	\$36,587,500,000	\$37,421,751,427	+\$834,251,427	2.3%

***Note: Sunset recommendations in HB 1541 have been submitted which would move the Drivers License Program from Department of Public Safety to the Department of Motor Vehicles.**

Department of Housing and Community Affairs
\$576,754,478 (4.8%)

The Texas Department of Housing and Community Affairs is responsible for affordable housing, community and energy assistance programs, colonia activities, and regulation of the state’s manufactured housing industry. Increase is primarily due to a \$24.1 million increase in Federal Funds primarily for the HOME Investment Partnerships Program and the Housing Trust Fund.

\$3 million for services targeted to homeless youth and young adults under the age 24 in regional urban areas. This would be the first appropriations directed toward combating this issue and is especially necessary considering that high number of homeless youth are those who have aged out of foster care.

Department of Motor Vehicles
\$654,659,381 (99%)

The Department of Motor Vehicles is responsible for the customer service, consumer protection, and success of motor vehicle related industries.



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

Funding includes:

- \$314.5 million in All Funds for current DMV programs. These programs include vehicle registration, vehicle titling, motor carrier credentialing, permitting, motor vehicle industry regulation, and burglary and theft prevention.

In fiscal year, 2021 contingent on the transfer of the driver's license program to the DMV, \$140 million in GR and 2,236.8 FTEs will transfer. The allotment also includes an additional \$200 million in GR and 962 FTEs to increase staffing and improve delivery service.

Department of Transportation (TxDOT)

\$31,107,600,000 (0.9%)

The Department of Transportation (TxDOT) is responsible for maintaining a safe, reliable, and integrated transportation system.

Funding includes:

- \$326 million in Revenue Bond Proceeds for the construction of the Austin Campus Consolidation project for the relocation and consolidation of TxDOT facilities and operations in the Austin area.
- \$218 million from the State Highway Fund for repair and rehabilitation, facility construction, and land acquisition.
- \$27.2 billion is for highway planning and design, right of way acquisition, construction, and maintenance and preservation.
- \$2.2 billion in All Funds for debt service payments and other financing costs.

Texas Workforce Commission

\$3,794,149,214 (5.3%)

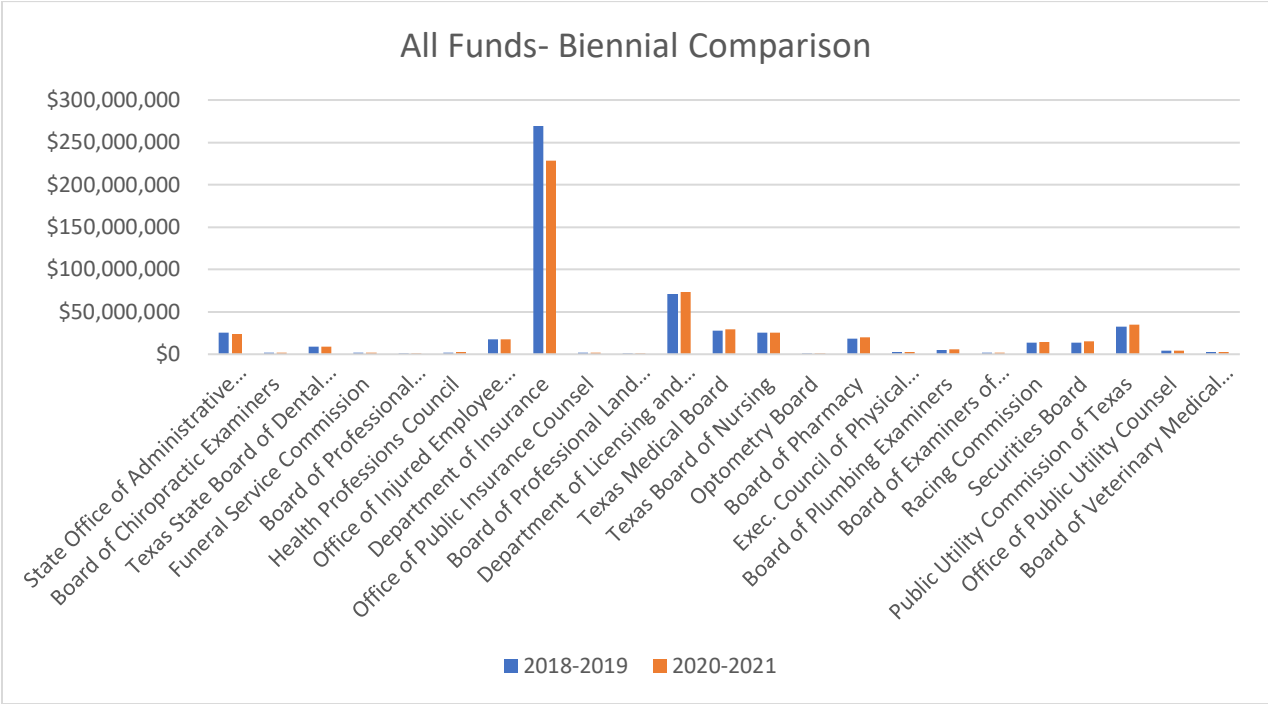
The Texas Workforce Commission is responsible for overseeing and providing workforce development services to employers and job seekers. The increase in funding is primarily due to an increase of \$84.6 million in federal appropriations for the Child Care and Development Block Grant for childcare services provided to low-income families.

Additional funding includes:

- \$1.7 billion in All Funds for childcare services provided to low-income families and foster care and protective service populations.
- \$6 million in grants for the Jobs and Education for Texans (JET) program.
- \$1.3 million in grants for the Apprenticeship Training Program.



Article VIII- Regulatory



Agency	2018-2019 (LBB summary of HB 1)	2020-2021 (HB 1)	Difference	% Change
State Office of Administrative Hearings	\$25,300,000	\$24,090,330	-\$1,209,670	-4.7%
Board of Chiropractic Examiners	\$1,700,000	\$1,662,161	-\$37,839	-1.5%
Texas State Board of Dental Examiners	\$8,700,000	\$9,125,753	+\$425,753	4.5%
Funeral Service Commission	\$1,700,000	\$1,668,733	-\$31,267	0
Board of Professional Geoscientists	\$1,100,000	\$1,191,273	+\$91,273	4.2%
Health Professions Council	\$2,200,000	\$2,260,983	+\$60,983	4.4%
Office of Injured Employee Council	\$17,500,000	\$17,528,266	+\$28,266	0
Department of Insurance	\$269,500,000	\$228,584,730	-\$40,915,270	-15.2%
Office of Public Insurance Counsel	\$2,100,000	\$2,084,499	-\$15,501	0
Board of Professional Land Surveying	\$1,000,000	\$961,215	-\$38,785	0
Department of Licensing and Regulation	\$71,200,000	\$73,418,455	+\$2,218,455	3.1%
Texas Medical Board	\$27,500,000	\$29,231,141	+\$1,731,141	6.3%
Texas Board of Nursing	\$25,500,000	\$25,824,967	+\$324,967	1.2%
Optometry Board	\$1,000,000	\$1,015,785	+\$15,785	1.8%
Board of Pharmacy	\$18,700,000	\$20,113,667	+\$1,413,667	7.7%
Exec. Council of Physical Therapy & Occupational Therapy Examiners	\$2,900,000	\$2,844,948	-\$55,052	-3%
Board of Plumbing Examiners	\$5,300,000	\$5,846,196	+\$546,196	10%
Board of Examiners of Psychologists	\$1,900,000	\$1,948,145	+\$48,145	3.3%
Racing Commission	\$13,300,000	\$14,800,000	+\$1,500,000	11%
Securities Board	\$13,700,000	\$15,102,489	+\$1,402,489	9.8%
Public Utility Commission of Texas	\$32,600,000	\$34,926,777	+\$2,326,777	7%
Office of Public Utility Counsel	\$4,300,000	\$4,271,529	-\$28,471	0
Board of Veterinary Medical Examiners	\$2,800,000	\$2,779,582	-\$20,418	-1.7%
Total General Revenue & General Revenue Dedicated	\$581,400,000	\$596,847,658	+\$15,447,658	2.7%
Total All Funds	\$671,700,000	\$644,506,677	-\$27,193,323	-4.0%

***Note: Sunset recommendation have been submitted in HB 1670, which would consolidate the Board of Plumbing Examiners with the Texas Department of Licensing and Regulation.**



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

***Note: Sunset recommendation have been submitted in HB 1501, which would consolidate the State Board of Examiners for Psychology with the social work, family therapy, and licensed counseling boards to form the Texas Behavioral Health Executive Council.**

Texas Department of Insurance

\$228,584,730 (-15.2%)

The Texas Department of Insurance regulates the state's insurance industry and oversees the administration of the Texas workers' compensation system.

Funding includes:

- \$3 million to maintain current membership and members premium assistance amounts.

Department of Licensing and Regulation

\$73,418,455 (3.1%)

The Texas Department of Licensing and Regulation provides oversight for 39 license types.

Funding includes:

- \$2 million from ESF for a consolidated licensing system. These funds would provide for Phase I of this project. This involves contracting and migrating it into more than 77 % of individual and business licenses. The agency will request funds for Phase II of this project next legislative session.
- \$512,734 and 4 FTEs for the addition of a Human Trafficking Team in the inspection division.

Board of Pharmacy

\$20,113,667 (7.7%)

The Texas State Board of Pharmacy is responsible for the licensing and registrations of Texas pharmacists, pharmacy technicians, and pharmacies. The agency is also responsible for establishing regulation for pharmacy practice.

Funding includes:

- \$4.4 million to provide improvements to the Texas Prescription Monitoring Program. This will allow prescribers to look up a patient controlled substance prescription history.



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

Economic Stabilization Fund

A total of \$2.3 billion from the ESF is appropriated in CSHB1. With other uses proposed by the House, this puts the 2020-2021 projected ending balance at \$8.4 billion.

- \$2.3 billion for projects to address the repair, renovation, and new construction of state facilities, and historic sites. This also covers funding addressing health and safety issues, maintenance, and other state needs.
 - \$1.4 billion for new construction
 - \$172.2 million for health and safety
 - \$718.9 million for deferred maintenance
 - \$37.4 million for general maintenance projects

Key additions to the budget made possible by the withdrawal from the ESF include:

Article I:

- \$10.7 million for the Office of the Attorney General
- \$164.0 million for the Cancer Prevention and Research Institute of Texas
- \$15.9 million for the Commission on State Emergency Communications
- \$255.9 million for the Texas Facilities Commission
- \$150 million for Trusteed Programs within the Office of the Governor.
 - \$100 million is for Disaster Grants
 - \$50 million for Defense Economic Adjustment Assistance grant program
- \$44.1 million for the Texas Historical Commission
- \$8.7 million for the Department of Information Resources for providing cybersecurity services to state agencies and institutions of higher education.
- \$27.8 million for the Library and Archives Commission
- \$19.3 million for the Preservation Board
- \$2,600,000 for Secretary of State

Article II:

- \$34.99 million for the Department of Health Services (DSHS)
- \$774.5 million for Health and Human Services Commission

Article III:

- \$42.5 million for School Safety- Safe and Healthy Schools Initiative for TEA
- \$1.5 million for campus safety and security for the School for the Blind and Visually Impaired
- \$335,000 for campus safety and security for the School for the Deaf
- \$230.8 million for TRS Care
- \$1 million for The Higher Education Coordinating Board for IT Modernization.

Article IV:

- \$29.7 million for the Office of Court Administration, Texas Judicial Council for the creation of a statewide case management system.

Article V:

- \$14.6 million for the Texas Alcoholic Beverage Commission
- \$175.6 million for the Department of Criminal Justice
- \$23.8 million for the Juvenile Justice Department
- \$25.9 million for the Texas Military Department
- \$51.9 million for the Department of Public Safety
 - \$8.6 million for a new Tactical Training Facility in Cameron Co.

Article VI:

- \$6.2 million for the Commission on Environmental Quality
- \$3 million for the General Land Office and Veterans Land Board to preserve and maintain the Alamo and the Alamo Complex.
- \$120.5 million for the Parks and Wildlife Department
- \$65.99 million for the Railroad Commission
 - \$39.1 million for oil and gas well-plugging and site remediation.
 - \$26.9 million to upgrade the agency's mainframe computer system.

Article VII:

- \$1.8 million for the Texas Lottery Commission

Article VIII:

- \$1.95 million for the Department of Licensing and Regulation