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Desk:

Conference Committee Report Analysis for House Bill 1 Sunday, May 26, 2019

Author: Rep. John Zerwas Committee: Appropriations

Recommendation: Favorable, with Concerns

CCR HB 1 Evaluated By: Brittany Sharp
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Overview of Budget and Revenue Issues

In January, the Comptroller's Biennial Revenue Estimate stated that the state would have \$125.7 billion in available General Revenue through FY 2021. Of this, \$6.3 billion was reserved for the Economic Stabilization and State Highway Funds. Another \$211 million was reserved for the Texas Tomorrow Fund shortfall. This left \$119.1 billion available in General Revenue for the 2020-2021 budget and supplemental appropriations for 2019.

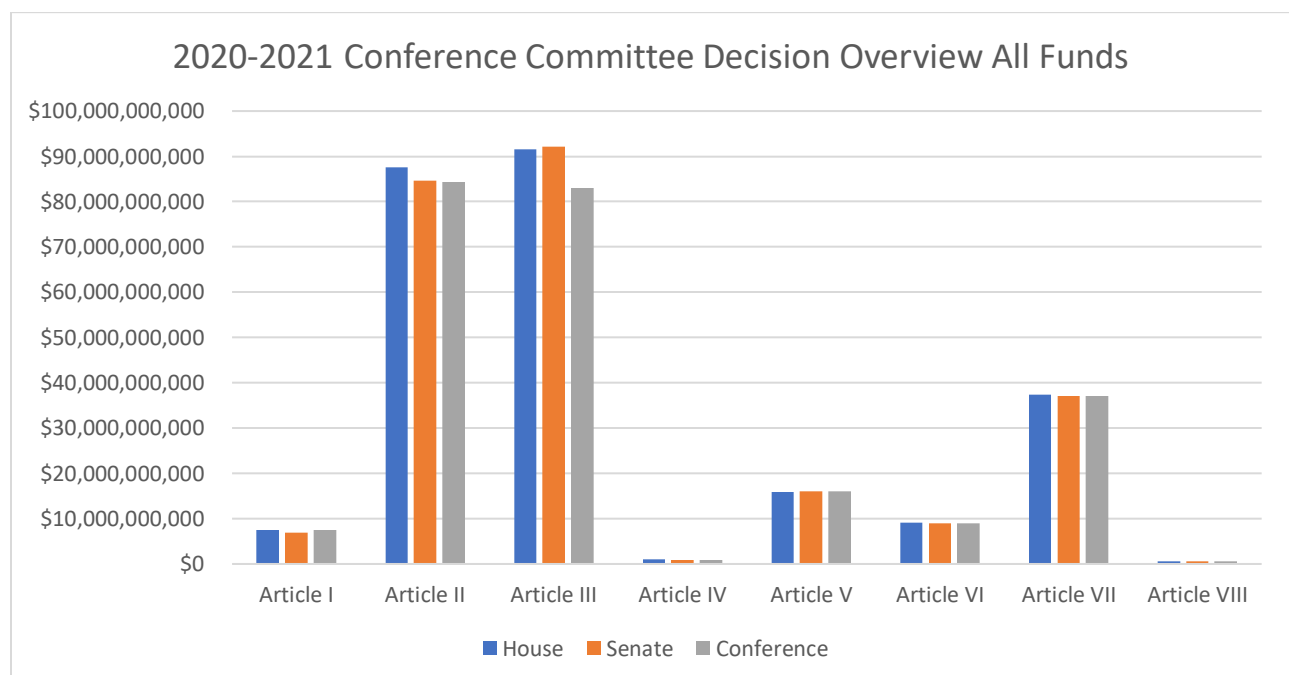
On May 14th, the Comptroller revised the General Revenue forecast, adding an increase of \$518 million projected for fiscal year 2019. The Legislature also enacted HB 1525 to implement the Wayfair decision, adding \$550 million in revenue for 2020-2021. (House Bill 3 dedicates this revenue to school finance.) The May 2019 revision also forecasts higher collections of oil and natural gas production taxes, so transfers to the ESF and Highway Funds will each go up by \$266 million. The ESF fund balance would reach \$15.6 billion by the end of fiscal 2021, if not used by the 2019 Legislature.

Legislative appropriations are subject to four constitutional spending limits, and the ones that matter the most are 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. This rate was set by the Legislative Budget Board at 9.89 percent growth for the 2020-2021 budget.

The version of HB 1 that the House sent to conference proposed General Revenue (GR) expenditures of \$116.5 billion, an increase of \$8 billion or 7.3 percent from 2018-19 levels (\$108.5 billion). About \$2.3 billion in General Revenue remained before reaching the spending growth limit, but only \$500 million was available in GR before reaching the pay-as-you-go limit. In addition, HB 1 and the proposed supplemental budget (SB 500) would have appropriated \$2.3 billion and \$4.3 billion, respectively, from the Economic Stabilization Fund, lowering its projected balance to \$9 billion (after the May revision).

The conference report of HB 1 proposes \$118.9 billion in General Revenue appropriations and \$3 million from the ESF (to the General Land Office for the Alamo Complex). SB 500's conference report proposes net new depending of General Revenue totaling \$1.5 billion, plus \$6.1 billion from the Economic Stabilization Fund. Many appropriations not funded in HB 1 can be found in SB 500.

Conference Committee



OK for Distribution

Rep Garnet Coleman

	House	Senate	Conference
Article I All Funds	\$7,484,660,026	\$6,971,854,506	\$7,429,998,621
Article II All Funds	\$87,634,553.419	\$84,655,805,739	\$84,368,690,053
Article III All Funds	\$91,567,052,865	\$92,151,054,925	\$83,006,839,311
Article IV All Funds	\$955,008,403	\$874,046,840	\$892,336,130
Article V All Funds	\$15,884,615,304	\$15,998,797,001	\$16,040,281,191
Article VI All Funds	\$9,114,954,255	\$8,928,039,497	\$9,013,014,955
Article VII All Funds	\$37,406,251,427	\$37,063,912,336	\$37,057,123,772
Article VIII All Funds	\$644,506,677	\$651,397,044	\$647,393,962

Conference Committee Addition Highlights:

Article I

- Additional \$50 million in GR and a rider to transfer the amount to the Texas A&M Engineering Experiment Station to engage higher education institutions with the private sectors for the purpose of commercializing and manufacturing critical technologies for infrastructure networks, public safety, and national defense.

Article II

- \$1 billion All Funds decrease to Medicaid
- \$426.4 million state funds decrease to Medicaid
- Adds rider to identify funding amounts and FTEs to provide oversight for Community Based Care expansion.
- \$1 million in GR for Alzheimer’s Disease Program.
- Additional \$31 million in GR and \$47.9 million in All Funds for Early Childhood Intervention (ECI) Services.
- Rider to allow HHSC to use Medicaid funding to provide intensive behavioral intervention (IBI) to certain individuals.

Article III

Public Education:

- Additional \$3.5 million to TEA for the Early Childhood School Readiness Program.
- \$2 million in GR for school safety programming provided by Crime Stoppers.

Higher Education:

- \$21.8 million in GR for non-formula support for Health Related Institutions (HRIs).
- \$2.5 million in GR for non-formula support for Public Community/Junior Colleges.
- \$5.9 million in GR for hold harmless funds to ensure that no community college district experiences a formula GR decrease of more than 5% from 2018-2019 formula levels.
- \$2 million in GR for the Surplus Agricultural Products Grant program serving low-income students.

Article V

- \$7 million in GR appropriated to the Department of Public Safety (DPS) for camera maintenance.

Article VI

- \$2 million in GR-D to the Texas Commission on Environmental Quality (TCEQ) for the cleanup of the Donna Reservoir and Canal System federal superfund site.

Public School Finance Reform (HB3):

The Conference Committee Report for HB3 allocates \$11.6 billion state dollars; designating \$6.5 billion for public education (including \$2 billion to increase compensation for teachers, librarians, counselors, and nurses) and \$5.1 billion for property tax relief. Additionally, HB3 provides a statewide average increase of approximately \$1,020 per pupil in additional funding through the basic allotment increase to \$6,160.

*For an additional breakdown of HB 3 funds see page 17

Behavioral Health Across Articles:

Behavioral health funding is associated with research, prevention, and/or discovery of mental disorders and disabilities and services needed to rehabilitate those who have a disorder or disability. Behavioral health related cost and certain non-behavioral health-related costs are included in the listing below. The total funding for Behavioral Health in HB 1 is \$7.7 billion

Article I

Trusted Programs, Office of the Governor: \$152.8 million

Veterans Commission: \$11.6 million

Article II

Department of Family and Protective Services: \$77.4 million

Department of State Health Services: \$5.3 million

Health and Human Services Commission: \$3,258.7 million

Texas Civil Commitment Office: \$309,222

Estimated Medicaid Expenditures: \$3,314.9 million

Estimated CHIP Expenditures: \$101.5 million

Article III

University of Texas - Health Science Center Houston: \$16 million

University of Texas - Health Science Center Tyler: \$13.5 million

Texas Tech University Health Sciences Center: \$5 million

Texas Higher Education Coordinating Board: \$100 million

Article IV

Supreme Court of Texas: \$2 million

Court of Criminal Appeals: \$637,000

Office of Court Administration: \$5 million

Article V

Commission on Jail Standards: \$371,712

Department of Criminal Justice: \$525.6 million

Juvenile Justice Department: \$176.1 million

Military Department: \$1.9 million

Article VIII

State Board of Dental Examiners: \$264,480

Board of Pharmacy: \$486,007

Board of Veterinary Medical Examiners: \$90,000

Optometry Board: \$72,000

Board of Nursing: \$2 million

Medical Board: \$1.3 million

Human Trafficking Across Articles:

Human trafficking programs provide services dedicated to state and local grant programs, law enforcement, research, trainings, regulatory efforts, criminal justice actions, and child welfare. Listed below are related and non-related human trafficking cost. The total funds for Human Trafficking in HB 1 are \$58.4 million.

Article I

Office of the Attorney General: \$5.7 million

Trusted Programs Within the Office of the Governor: \$5.7 million

Article II

Department of Family and Protective Services: \$1.2 million

Department of State Health Services: \$60,000

Article V

Alcoholic Beverage Commission: \$7.1 million

Department of Public Safety: \$37.8 million

Article VII

Department of Transportation: \$200,000

Article VIII

Department of Licensing and Regulation: \$1.7 million

Border Security Across Articles:

Border Security funding is spread throughout this act totaling \$800.6 million. Below is a list of how these funds are divided among state agencies.

Department of Public Safety

Baseline Border Security: \$671.1 million

Border Auto Theft Information Center: \$1.3 million

Penitas Law Enforcement Center Maintenance: \$400,000

University of North Texas Missing Persons Database Transfer: \$2.2 million

National Incident Base Reporting System (NIBRS) Training: \$700,000

Human Trafficking/Anti-Gang Activities: \$9.3 million

Border Camera Maintenance: \$7 million

Texas Transnational Intelligence Center: \$500,000 and 4 FTEs

Tactical Training Facility in Cameron County: \$800,000

Trusted Programs within in the Office of the Governor

Prosecution Resources: \$15.1 million

National Incident Base Reporting System (NIBRS) Technology: \$10 million

Border Security Enforcement Activities: \$10.2 million

Anti-gang Activities: \$14.2 million

Installation and Maintenance of Border Cameras: \$3 million

Border Zone Fire Departments: \$1 million

Texas Parks and Wildlife Department

Baseline Game Warden Activities in Border Counties: \$11.4 million

Enhanced Game Warden Activities in Border Counties: \$17.6 million

Texas Alcoholic Beverage Commission

Baseline Border Security: \$5.7 million

Special Investigation Agents: \$1.2 million

Texas Department of Criminal Justice

Anti-gang Intelligence: \$1.6 million

Texas Commission on Law Enforcement

Border Investigators: \$300,000

Office of the Attorney General

Border Prosecutions: \$2.6 million

Texas Soil and Water Conservation Board

Carrizo Cane Removal: \$3 million

Department of Motor Vehicles

Automobile Burglary and Theft Prevention Authority Grants: \$10.4 million

Salary Concerns Across Articles

Texas state agencies are having difficulty attracting and retaining qualified individuals in critical staff positions. Many agencies submitted exceptional item requests regarding staffing levels and HB 1 partially addresses many of these requests. Without proper staffing, Texas’ state agencies could face structural challenges and limitations for years to come.

Salary Highlights:

Department of Family Protective Services

- \$4.3 million in All Funds for salary increases for State Wide Intake (SWI) staff.
- \$112.9 million designated for APS frontline staff. This provides additional FTE positions and salary increase to maintain the caseload per worker ratio. This represents a decrease of approximately \$7 million from the version of HB 1 passed out of the House which designated \$119.8 million for this purpose.

Health Human Services Commission

- \$30.5 million in All Funds for State Supported Living Centers and state hospital staff salary increases.
- \$86.9 million in All Funds, \$33.6 million in state funds to increase the base wages for community attendants. This represents a \$1 million increase in state funds from the version of HB 1 that was passed out of the House.

Department of State Health Services

- \$3.8 million in GR to increase salaries for laboratory staff. This represents a decrease of \$700,000 from the version of HB 1 passed out of the House.
- \$1.1 million in GR for public health nurses’ salary increases. This represents a \$1.4 million decrease from the version of HB 1 passed out of the House.
- \$2.3 million in GR each year to increase retention of trained laboratory staff. This item was not represented in the version of HB 1 passed out of the House.

Texas School for the Blind and Visually Impaired

- \$513,028 All Funds for a 4% direct care staff salary increase. This item was not provided in the version of HB 1 passed out of the House.

Texas School for the Deaf

- \$464,628 All Funds for a 4% direct care staff salary increase. This item was not provided in the version of HB 1 passed out of the House.

Judiciary

- \$27.1 million in GR for a 10% increase for judges and those salaries that are statutorily linked to state district judges. Judicial salary increase is contingent upon passage of HB 2384/ SB 387. The version of HB 1 passed out of the House provided \$31.3 million for this purpose.

Texas Department of Criminal Justice

- \$84.1 million in GR for a 5% salary increase for Correctional Officers and Parole Supervision Officers. These funds also provide for a career ladder restructure. This represents approximately half the amount provided in the House version of HB 1.
- No funds are designated for market level salary adjustments to recruit and maintain medical staff for offender health care. The version of HB 1 passed out of the House provided \$9 million for this purpose.
- \$1.6 million in GR for a 5% salary increase for Parole Hearing and Institutional Parole Officers.

Texas Juvenile Justice Department

- \$2.8 million in GR for pay parity salary increases to keep up with TDCJ salaries.
- \$5.3 million in GR for a 5% salary increase to juvenile correctional officers and case managers.

TABLE OF CONTENTS

ARTICLE I- GENERAL GOVERNMENT- Page 7

ARTICLE II- HEALTH AND HUMAN SERVICES- Page 10

ARTICLE III- PUBLIC EDUCATION- Page 16

ARTICLE III- HIGHER EDUCATION- Page 18

ARTICLE IV- THE JUDICIARY- Page 21

ARTICLE V- PUBLIC SAFETY AND CRIMINAL JUSTICE-Page 23

ARTICLE VI- NATURAL RESOURCES-Page 26

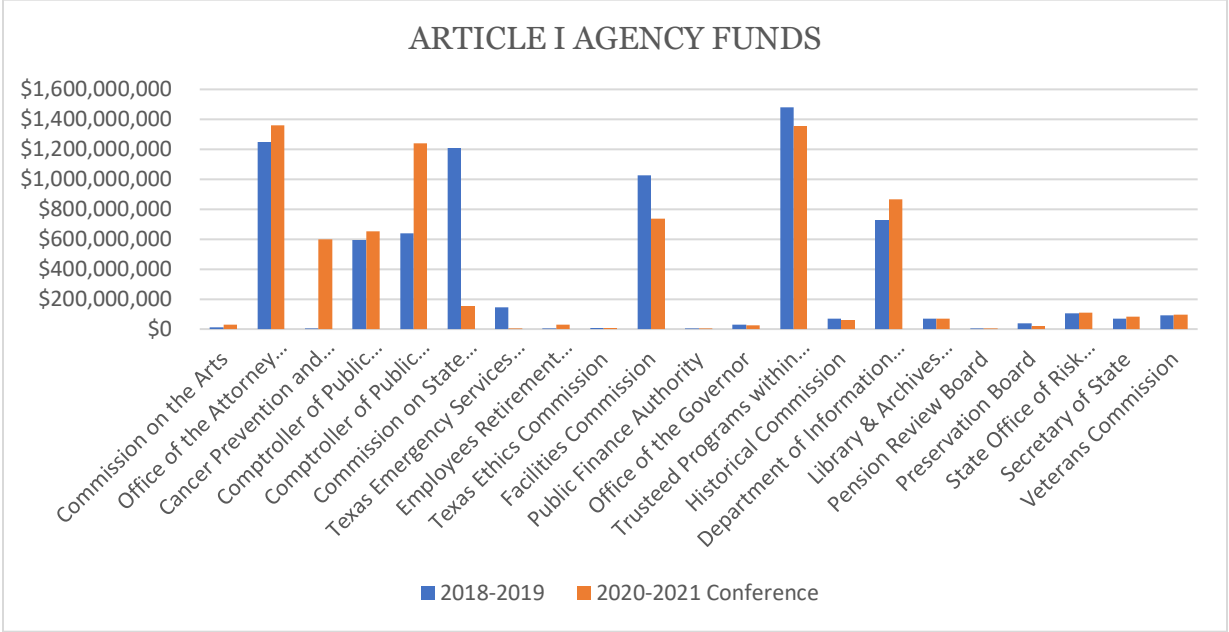
ARTICLE VII- BUSINESS AND ECONOMIC DEVELOPMENT- 29

ARTICLE VIII- REGULATORY-31

COMMON ACRONYMS

- GR = General Revenue
- GR-D = General Revenue-Dedicated
- FF = Federal Funds
- ESF = Economic Stabilization Fund
- FTE = Full-Time Equivalent
- MOF = Method of Finance
- UB= Unexpended Balance
- GOB=General Obligation Bonds

Article I - General Government



	2018-2019	2020-2021 Conference
Commission on the Arts	\$13,000,000	\$27,936,076
Office of the Attorney General	\$1,248,100,000	\$1,359,817,280
Cancer Prevention and Research Institute of Texas	\$1,600,000	\$600,110,000
Comptroller of Public Accounts	\$595,200,000	\$654,474,404
Comptroller of Public Accounts- Fiscal Programs	\$640,600,000	\$1,241,293,244
Commission on State Emergency Communications	\$1,210,100,000	\$153,763,228
Texas Emergency Services Retirement System	\$144,800,000	\$4,091,420
Employees Retirement System	\$4,100,000	\$27,500,000
Texas Ethics Commission	\$5,900,000	\$7,123,872
Facilities Commission	\$1,027,600,000	\$738,225,377
Public Finance Authority	\$3,000,000	\$3,110,676
Office of the Governor	\$31,500,000	\$24,881,747
Trusted Programs within the Office of the Governor	\$1,479,600,000	\$1,357,670,769
Historical Commission	\$71,400,000	\$59,659,386
Department of Information Resources	\$726,100,000	\$865,944,968
Library & Archives Commission	\$69,600,000	\$71,217,212
Pension Review Board	\$2,000,000	\$2,107,498
Preservation Board	\$37,100,000	\$21,837,173
State Office of Risk Management	\$107,000,000	\$108,843,387
Secretary of State	\$68,100,000	\$84,397,497
Veterans Commission	\$91,700,000	\$95,040,532
Total GR & GR-D	\$4,265,400,000	\$4,588,319,547
Total All Funds	\$7,503,300,000	\$7,429,998,621

Commission on the Arts

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

Changes in funding include:

- \$250,000 in GR for military arts healing grants. This represents half the amount that was provided in the version of HB 1 passed out of the House.
- \$10 million for Cultural District Grants to cities for approximately 100 projects. This is a \$5 million increase from the version of HB 1 passed out of the House.

Office of the Attorney General

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.

Changes in funding include:

- \$2 million in GR and 10 FTEs to expand the Elections Fraud Unit. This item was not in the version of HB 1 passed out of the House.
- \$3.5 million in GR and 19 FTEs to expand the Human Trafficking Section. This item was not in the version of HB1 passed out of the House.
- \$8.7 million in GR for rape crisis centers and sexual assault nurse examiners. This represents a \$1 million increase from the version of HB 1 passed out of the House.
- \$8.7 million additional funds for crime victim’s assistance grants. This represents a \$1 million increase from the version of HB 1 passed out of the House.
- Rider prohibiting the expenditure of state funds on the Texas Child Support Enforcement System 2.0 project and stating that the legislative intent for the project is to be cancelled.

Cancer Prevention and Research Institute of Texas

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:

- \$164 million in General Obligations Bond Proceeds to fund the agency up to its historic appropriation. This is a MOF swap from ESF.

Employees Retirement System

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

The retirement contribution for all general state agencies is .5% of total base wages and salaries for each eligible employee. This is a significant decrease, as the version of HB 1 passed out of the house the retirement contribution for all general state agencies was increased to 1%.

Texas Facilities Commission

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.

Changes in funding include:

- \$120 million in GR for deferred maintenance projects. This represents an approximately \$130 million

Trusted Programs Within the Office of the Governor

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.

Changes in funding include:

- \$100 million in ESF for disaster grants that was in HB 1 is now represented in SB 500.
- \$6 million in GR for grants to Sexual Assault Forensic Exam (SAFE) ready facilities. This is a decrease of \$14 million from the version of HB 1 that what was passed out of the House. Half of these funds will be directed to new facilities in order to expand this program.
- \$1 million in GR for pilot program for county jail medication assisted treatment for opioid and alcohol dependence. This is a decrease of \$4 million from the version of HB 1 that was passed out of the House.
- \$3.5 million in GR-D for prostitution prevention and pre-arrest diversion programs. This will create opportunities expand model programming found in other states – where law enforcement do not arrest but refer to services instead. This represents a MOF swap from GR and an increase of \$500,000 from the version of HB1 that was passed out of the House.
- \$500,000 for border prosecution grants. This is a decrease of \$300,000 from the version of HB 1 that was passed out of the House.
- No additional funds for local border security grants. The version passed out of the House has \$2 million for this purpose.
- \$200,000 in GR for grants to promote border economic development.
- \$30 million in GR for Defense Economic Adjustment Assistance Grant (DEAAG). This is a decrease of \$20 million and MOF swap from the version of HB 1 passed out of the House.
- \$76 million in UB and \$74 million in GR for the Texas Enterprise Fund (TEF). This is an increase of funding and MOF swap from UB from the version of HB 1 passed out of the House.
- \$22.9 million in UB and \$17.1 million in GR for the Governors University Research Initiative (GURI). This represents an increase of funding and MOF swap from UB from the version of HB 1 passed out of the House.
- \$15 million in FY 2020 for Border Security Operations. The version of HB 1 passed out of the House designated \$15.4 million for this purpose.
- \$50 million in General Obligation Bond Proceeds for the Texas Military Preparedness Commission.

Historical Commission

The Texas Historical Commission’s primary function is to preserve history in the State of Texas.

Changes in funding include:

- No additional funds provided for Courthouse Preservation Grants. SB 500 designates \$25 million for this purpose. The version passed out of the House had \$36 million in ESF for this purpose.
- No additional funds provided for site planning at the Levi Jordan Plantation. SB 500 designates \$2 million for this purpose. The version passed out of the House had \$2 million for this purpose.

Library and Archives Commission

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.

Changes in funding include:

- No additional funds designated in HB 1 for the expansion of the state records center in Austin. SB 500 designates \$ 4.4 million for this purpose. The version of HB 1 passed out of the House had \$26.6 million for this purpose. The agency expressed that without funds to expand the State Records Center in Austin, they would run out of space this year.

Secretary of State

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. Included in the biennium totals are amounts appropriated for the maintenance of the Texas Elections Administration Management (TEAM) system. All balances remaining in the GR Dedicated election Improvement Fund 5095 will be used to carry out provisions of the Help America Vote Act (HAVA). Funds in Primary Funding / Voter registration Postage may not be used to reimburse counties that exceed costs to conduct joint primary elections.

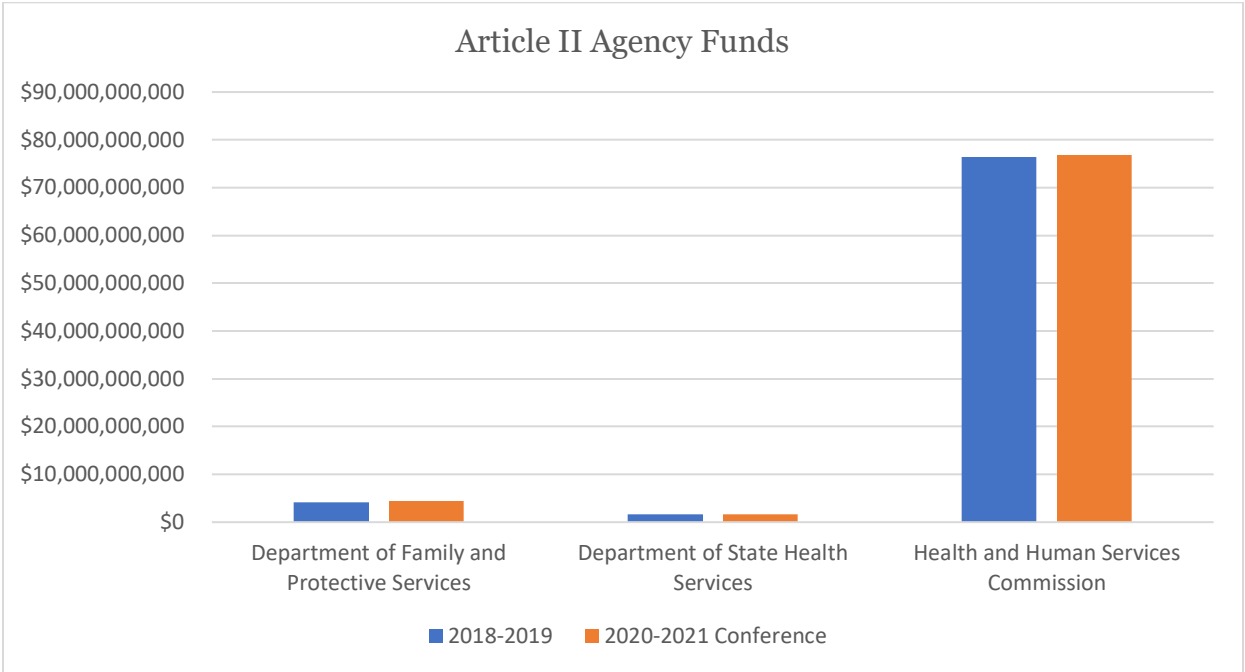
Texas Veterans Commission

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

Changes in funding include:

- \$15.5 million and 2 FTEs to fill vacancies in claims representation and counseling to meet demand for assistance in rural areas. This represents a decrease from the version of HB 1 passed out of the House which designated \$2.2 billion and 15 FTEs for this purpose.
- An additional \$377,000 and 3 FTEs for the Women Veterans Program. This represents a \$127,488 decrease in funding that was provided in the version of HB 1 passed out of the House.
- \$273,000 and 1 FTE for the Veteran Entrepreneur Program. This represents a \$546,940 decrease in funding that was provided in the version of HB 1 passed out of the House.
- No additional funding provided for Veteran Treatment Court grants. \$2 million for this purpose was in the version of HB 1 passed out of the House.

ARTICLE II- HEALTH AND HUMAN SERVICES



	2018-2019	2020-2021 Conference
Department of Family and Protective Services	\$4,175,100,000	\$4,427,950,809
Department of State Health Services	\$1,688,200,000	\$1,674,407,058
Health and Human Services Commission	\$76,381,500,000	\$76,805,289,561
Total GR & GR-D	\$35,283,200,000	\$34,256,548,830
Total All Funds	\$83,584,200,000	\$84,368,690,053

Health and Human Services Commission

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 known as food stamps).

Medicaid

Changes in funding include:

- Overall decrease of \$1,059.3 million below House funding.
- \$62.9 billion All Funds for the Texas Medicaid program. This represents a \$5.7 billion decrease from the version of HB 1 passed out of the House which designated \$68.6 billion All Funds and \$25.6 billion in GR.
- \$61.6 billion for Medicaid Client services. This represents a \$2.1 billion decrease from the version of HB 1 passed out of the House which designated \$63.7 billion.
- \$2.1 billion for Medicaid Services for Pregnant Women. This represents a slight increase of \$12 million from the version of HB 1 passed out of the House.
- \$90.5 million in All Funds, \$35 million in state funds to increase inpatient rates in rural hospitals. This represents a \$20 million decrease in state funds than the version of HB 1 that was passed out of the House.
- \$16 million in All Funds, \$6.2 million in state funds to provide a \$500 add-on payment for labor and delivery services at rural hospitals. The add-on payment was not represented in the version of HB 1 passed out of the House.
- \$81.9 million in All Funds, \$31.7 million in state funds to update reimbursement methodology for facility based community services. This includes funding for private intermediate care facilities, home and community based services waiver, and the Texas home living waiver. This represents a \$52.3 million decrease in state funds than the version of HB 1 that was passed out of the House.
- \$24.8 million in state funds, \$66.7 million in All Funds to reduce interest lists. This funding supports 60 medically dependent children program slots, 240 community living and support services slots, 1,320 home and community-based services slots, and 8 deaf-blind multiple disabilities slots.

Behavioral Health

Changes in funding include:

- \$50.2 million increase in All Funds to expand the mental health capacity for adults. This is an increase of \$19.1 million from the House version of HB 1.
- \$1.2 million increase in GR and 6.2 FTEs for contract management and oversight. This is a decrease of \$800,000 from the House version of HB 1.

- \$8.9 million increase in All Funds to expand mental health capacity for children. This is a decrease of \$2.9 million from the version of HB 1 passed out of the House.
- \$2.5 million increase in GR to fund additional residential treatment center beds for youth who are at risk of parental relinquishment. This increased the rate from \$260 to \$277 per day.
- \$22.5 million in GR to maintain service levels for certain community mental health grant programs. This represents a \$225,000 decrease from the version of HB 1 passed out of the House.
- \$25.9 million in GR and 2.7 FTEs for an additional 50 inpatient psychiatric beds. This is a decrease of \$13.5 million and 25 beds from the version of HB 1 passed out of the House.
- HHSC must allocate funding to continue recovery-focused clubhouse services at 2019 levels. These funds must be used for slots of individuals at risk of relinquishment.

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, or DSRIP funds) 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 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.

Changes in funding include:

- \$2 million All Funds for CHIP total funding. This represents a slight decrease from the version of HB 1 passed out of the House which designated \$2.2 billion All Funds for CHIP.

State Hospitals and State Supported Living Centers

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

Changes in funding include:

- \$898.7 million in total State Hospital funding. Represents a decrease of \$14.1 million than the version of HB 1 passed out of the House.
- \$1,394.4 million in total SSLC funding. Represents a decrease of \$12.6 million than the version of HB 1 passed out of the House.
- \$12 million in GR to increase bandwidth, expand wireless networks, and purchase telemedicine equipment at SSLCs and State Hospitals. This represents a MOF swap from ESF from the version of HB 1 passed out of the House.
- \$225.1 million in All Funds, \$16.3 million in GR, 6.4 FTEs for deferred maintenance projects and SSLC’s and state hospitals. This is a MOF swap and decrease of \$38.3 million from the version of HB 1 passed out of the House.
- No funds designated for Phase II of HHSCs Comprehensive Plan for State-Funded Inpatient Mental Health Services. The version of HB 1 passed out of the House designated \$658.6 million for this purpose.
- Increase of \$19.1 million in GR for state hospital cost growth.
- No funds designated for Hepatitis C treatment. The version of HB 1 passed out of the House designated \$4.4 million in GR for this purpose.
- \$7.9 million in GR to replace 243 vehicles at SSLCs and state hospitals. This is a decrease of \$9.4 million in ESF funds and a decrease by 227 vehicles from the version of HB 1 passed out of the House.
- \$1.9 million in GR for laundry equipment replacement. This represents a \$2 million decrease and MOF swap from the version of HB 1 passed out of the House.
- SB 500 designates \$445.4 million for state hospital construction.

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. ECI must serve every eligible child in the state of Texas but has historically been underfunded. A combination of legislated budget cuts and policy changes have reduced Texas’ ECI per child funding in the last decade. Additional appropriations for ECI can be found in SB 500.

Changes in funding include:

- \$341.6 million total. Represents a \$31.2 million decrease from the version of HB 1 passed out of the House.

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 received a 90/10 percent match from the federal government prior to excluding Planned Parenthood. Now the program is fully funded using General Revenue with \$347 million in total program funding.

Changes in funding include:

- Increase of \$45 million in GR for the Healthy Texas Women Program. This is a decrease of \$29.3 million from the version of HB 1 that was passed out of the House.
- An additional \$14.7 million in GR is contingent upon the passage of SB 750. These funds would be used to increase quality and accessibility of care for pregnant women with opioid use.
- \$7 million increase in GR designated for the Family Planning Program (FPP). This represents a decrease of \$5.5 million in GR from what was passed out of the House.
- \$840,418 increase in GR for the Breast and Cervical Cancer Services Program. This represents a \$542,610 increase from the version of HB 1 passed out of the House.
- No funds designated for a pilot program for women enrolled in Medicaid who need more comprehensive services to improve maternal and infant health outcomes. The version of HB 1 passed out of the House contained \$1.5 million in GR for this purpose.
- No funds designated for the Human Trafficking Resource Center. The version of HB 1 passed out of the House designated \$100,000 in GR for this purpose.
- Rider to direct HHSC to work with Center for Medicare and Medicare services to add long acting reversible contraceptive (LARC) bulk purchasing to the Healthy Texas Women 1115 waiver.

Alternatives to Abortion (A2A)

These funds aim 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. Previously the A2A program has not been required to report anything to the legislature. This session a Rider requires that the A2A program deliver a report to the LBB and the Governor that contains:

- Total number of A2A providers, including subcontractors, by geographical region, and the total number of unduplicated clients served by each provider, by gender and age
- Description of A2A outreach efforts by providers and HHSC
- Total expenditures, by MOF
- Total contract amounts by provider, including subcontractors
- Any outcome measures included in contracts with providers

Changes in funding include:

- \$59.9 million total funds. This represents a decrease of \$30.5 million from the version of HB 1 passed out of the House.
- An additional \$21.2 million in GR and authority to transfer up to \$20 million in GR.

Substance Use Disorder Services

Changes in funding include:

- \$464.4 million in total funding. This represents a decrease of \$21.3 million from the version of HB 1 passed out of the House.
- \$5 million in GR for Substance Abuse Prevention and Treatment Block Grant to provide a rate increase for substance abuse treatment services. This is a decrease of \$21.4 million from the version of HB 1 passed out of the House.
- \$23.6 million in GR for Substance Abuse Prevention and Treatment Block Grant to reduce the substance abuse treatment waitlist for pregnant women and women with dependent children.

Intellectual or Developmental Disabilities (IDD) Services

Changes in funding include:

- Rider to direct HHSC is required to develop a plan to replace Day Habilitation services with more integrated services in the community.
- \$4 million in GR to expand crisis intervention and respite services. This is a \$7.7 million decrease from the version of HB 1 passed out of the House.
- \$3 million in GR for outpatient mental health services. This is a \$4.7 million decrease from the version of HB 1 passed out of the House.
- No additional funds designated to create clinics within 6 SSLC’s to provide services. This is a decrease of \$9.3 million in GR from the version passed out of the House.

Texas Civil Commitment Office (TCCO)

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

Funding includes:

- \$37.8 million in All Funds to provide for caseload growth and funds to increase facility capacity.
- \$267,737 in GR for offsite healthcare

Other Changes in Funding:

- \$10 million in GR and \$17 million in FF to provide rural hospital inpatient rate increases. This is a \$20 million decrease from the version of HB 1 passed out of the House.
- \$6 million in GR for the Home Delivered Meals Program. Increase of the maximum rate to \$5.31 per meal. This represents a \$1.8 million decrease in GR from the version of HB 1 passed out of the House.
- \$1.9 million in GR and 15.2 FTEs to implement and automate searches of the National Sex Offender Registry for child care providers. This is a MOF swap from ESF from the version of HB 1 passed out of the House.
- \$5.5 million in GR for enhanced family violence program services. This is a \$500,000 decrease from the version of HB 1 passed out of the House.
- \$20 million increase in All Funds for Child Advocacy Centers. \$3.5 million increase in GR for Court Appointed Special Advocates (CASA). The version of HB 1 passed out of the House designated a total of \$30.9 million for these purposes.

- \$2 million in GR and 20 FTEs to implement a unit to investigate illegal child care operations. This represents a \$1.6 million increase in GR and an increase by 15.8 FTEs from the version of HB 1 passed out of the House.

Department of Family and Protective Services (DFPS)

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

CPS

Changes in funding include:

- \$1.8 million in All Funds for CPS client services programs. This represents a slight decrease from the version passed out of the House which designated \$2 billion in All Funds, \$936.9 million in GR for this purpose.
- \$9.1 million in GR, \$12 million in All Funds for rate increases for foster care providers. The version passed out of the House designated \$42.2 million in All Funds and \$32 million in GR for this purpose. Updated foster care rates:
 - Moderate residential rate from \$103.03 to \$108.18
 - Emergency care services rate from \$129.53 to \$137.30.
- \$200,000 in GR to implement a pilot program aimed at improving outcomes for children at highest risk of re-entering the CPS system. This represents a \$300,000 decrease from the version of HB 1 passed out of the House.
- \$3.6 million in All Funds, \$3.3 million in GR. 30 FTEs for additional frontline staff such as foster care eligibility specialists, local permanency specialists and human services technicians to address increased caseloads. This represents a decrease of \$5.2 million All funds from the version of HB 1 passed out of the House.
- \$6 million in additional GR for adoption purchased services. This represents a decrease of \$2 million from the version of HB 1 passed out of the House.

Community Based Care (CBC)

Changes in funding include:

- \$64.3 million in All Funds, \$60.7 million in GR to expand CBC into two new regions and move into Stage 2 in Regions 3B, 2 and 8A. This represents a \$42.7 million increase from the version of HB 1 passed out of the House.
- 56 FTE’s and \$5.5 million in All Funds, \$5 million in GR for case management oversight staff in Regions 2 and 8A, a background check unit, and IT technical support staff to assist in the implementation and oversight of CBC into existing and new regions. This was not in the version of HB 1 passed out of the House.

Prevention Services

Changes in funding include:

- \$794,000 in GR and \$16,176,334 in FF for the Texas Home Visiting Program. This represents a \$2 million decrease in GR funds from the version of HB 1 passed out of the House.
- \$10.1 million in GR and \$24.5 million in FF for the Nurse Family Partnership Program. This represents a \$889,882 increase in GR from the version of HB 1 that was passed out of the House.
- Additional \$1.5 million in GR to expand the Healthy Outcomes through Prevention and Early Support (HOPES) Program into additional regions.
- \$18.5 million total funds for PAL. An additional \$1.6 million in All Funds, \$1.5 million in GR and 10.7 FTEs for PAL staff and regional youth specialists for independent living assessments.

APS

- \$140.9 million All Funds for APS total funding. This represents a \$2.8 million decrease from the version passed out of the House which designated \$143.7 million All Funds.

Changes in Other Funding:

- Total of \$27.2 million, an additional \$10.9 million in GR for substance abuse purchased services. This is an increase of \$3.2 million from the version of HB 1 passed out of the House.
- \$1.2 million in All Funds and 5 FTEs to expand human trafficking prevention. This is a decrease of \$400,000 from version of HB 1 passed out of the House.

Department of State Health Services

- \$113.7 million total funds

Maternal Mortality and Morbidity

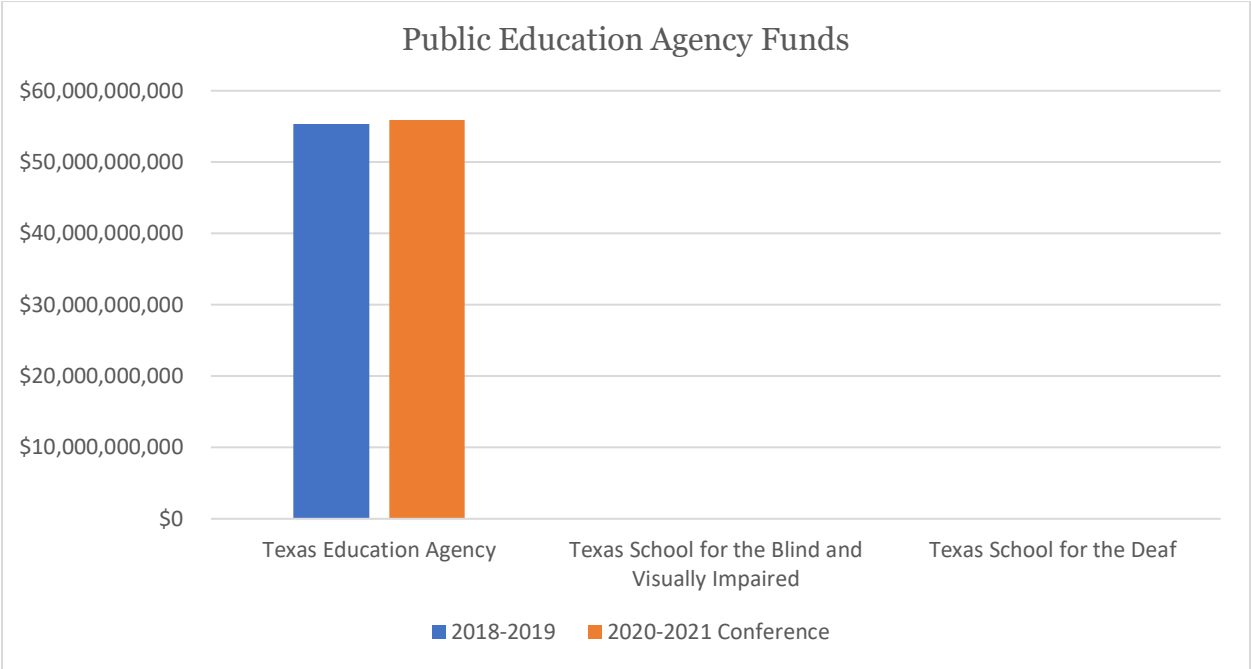
- \$7 million in GR and 8 FTEs.
- \$1.3 million in GR and 6 FTEs to implement maternal safety initiatives across the state.
- \$1.2 million in GR and 2 FTEs to develop and establish a high-risk maternal care coordination services pilot program for woman.
- \$1 million in GR to increase public awareness and prevention activities related to maternal mortality and morbidity.

Changes in Other Funding:

- \$252.3 million total funds for EMS and Trauma Care Systems. The version of HB 1 passed out of the House designated \$251.8 million for this purpose.
- No funds designated for X-ALD screening (a chromosomal disorder known as X-linked adrenoleukodystrophy). SB 500 designates \$7.9 million for this purpose. The version of HB 1 passed out of the House designated \$3.96 million for this purpose.
- \$68.7 million total funds for TB surveillance and prevention. \$6.6 million increase in GR for TB prevention activities. This represents a \$4.2 million decrease from the version passed out of the House.
- \$4.6 million in GR to expand contacts with local health departments to assist in screenings for TB exposures.

- \$1.5 million in GR and 8 FTEs for staffing and contracts for large- scale TB exposures. This represents a \$750,000 decrease from the version of HB 1 passed out of the House.
- \$6.2 million in GOB proceeds to operate the Cancer Registry. Transfer of \$3.1 million in GO Bonds each year from CPRIT to DSHS for the administration of the cancer registry.
- \$3.5 million in GR and 7 FTEs to purchase servers and update software for the Texas Enhancement of the National Electronic Disease Surveillance System.
- \$10.9 million in GR for the repair of the Austin laboratory and renovation for the South Texas and Austin laboratories. This represents a MOF swap from the version of HB 1 passed out of the House.

Article III – EDUCATION



	2018-2019	2020-2021 CCR
Texas Education Agency	\$55,352,900,000	\$55,868,888,685
Texas School for the Blind and Visually Impaired	\$47,200,000	\$48,284,006
Texas School for the Deaf	\$58,900,000	\$65,223,611

Texas Education Agency

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 the term “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%.

The final version of HB 3 increases the state share of school funding from 38% to 45% and cuts recapture by 46%. The additional \$11.6 billion for public education reform is laid out in HB 3 and is appropriated as follows:

- \$5.1 billion in property tax relief
- \$6.5 billion in public education dispersed based on preliminary estimates:
 - \$140 million for merit/incentive pay increases
 - \$1.6 billion designated for salary increases for teachers, librarians, counselors, and nurses.
 - \$30 million annually for rewards to teachers who work an additional 30 days in the summer
 - \$8 million for mentoring new teachers
 - \$6 million toward teacher professional development
 - Basic Allotment increased by \$1,020 per student for a basic allotment of \$6,160 per student.

***In the General Appropriations Act these funds are located in Article IX**

Foundation School Program (FSP)

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

Changes in funding include:

- \$43.8 billion in total FSP funding.
- No funds appropriated for Texas Safe and Healthy Schools Initiative in HB 1. SB 500 designates \$100 million for school hardening. The version passed out of the House included \$54.5 million in All Funds and 6 FTEs across all strategies for the Texas Safe and Healthy Schools Initiative.
- \$636 million in ESF for 2020-2021 FSP costs related to depressed property values due to Hurricane Harvey.
- An additional \$2.2 million and \$18.5 million total for the Texas Advanced Placement Initiative. No additional funds designated for this purpose in the version of HB 1 passed out of the House.
- Total of \$8 million for P-Tech, \$3 million in additional funding. The version passed out of the House did not have additional funds designated for this purpose.

- \$4 million total funding, \$2.7 million in additional funding for the Amachi Program. The version passed out of the House did not have any additional funds for this purpose.
- \$30 million for Communities and Schools. This is a decrease of \$11 million from the version of HB 1 passed out of the House.
- \$100,000 for Best Buddies. This is a decrease of \$400,000 from the version of HB 1 passed out of the house.
- Rider requiring TEA to maintain a report on each facility owned or leased by open- enrollment charter schools not included in final version of HB 1.
- Rider requiring TEA to evaluate the school enrollment process for students who have a delinquent or provisional immunization status not included in final version of HB 1.
- \$10 million for grants for students with autism. These funds can be used to purchase new technology for this purpose.
- \$7 million for the Early Childhood School Readiness Program. Additional funding for this item was not in the version of HB 1 passed out of the House.
- \$10 million for the open education resource instruction materials for dual credit courses.
- \$7.5 million for the Adult Charter School Program

Windham School District

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

Changes in Funding includes:

- \$110.1 million in total funding. This represents an increase of \$5.7 million from the version of HB 1 passed out of the House which designated \$104.4 million for this purpose.
- \$4.6 million for year-round school, apprenticeship expansion, and female offender vocational expansion. The version of HB 1 passed out of the House did not provide funding for this purpose.
- \$1.1 million for a 4% salary increase for non-teacher and librarian field staff. Additional funding for this item was not represented in the version of HB 1 passed out of the House.

Special Education

Changes in funding include:

- \$2.3 billion for students with disabilities
- \$50.5 million in GR for the new Special Education Supports Initiative
- \$10 million for innovative services for students with dyslexia out of the students with disabilities strategy.

Texas School for the Blind and Visually Impaired

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.

Changes in Funding Include:

- \$513,028 for a 4% direct care staff salary increase. This item was not included in the version of HB 1 passed out of the House.
- No funds in HB 1 designated specifically for TSBVI campus safety. The version of HB 1 passed out of the House designated \$.8 million for this purpose. SB 500 designates \$100 million for school hardening purposes across all public education schools.

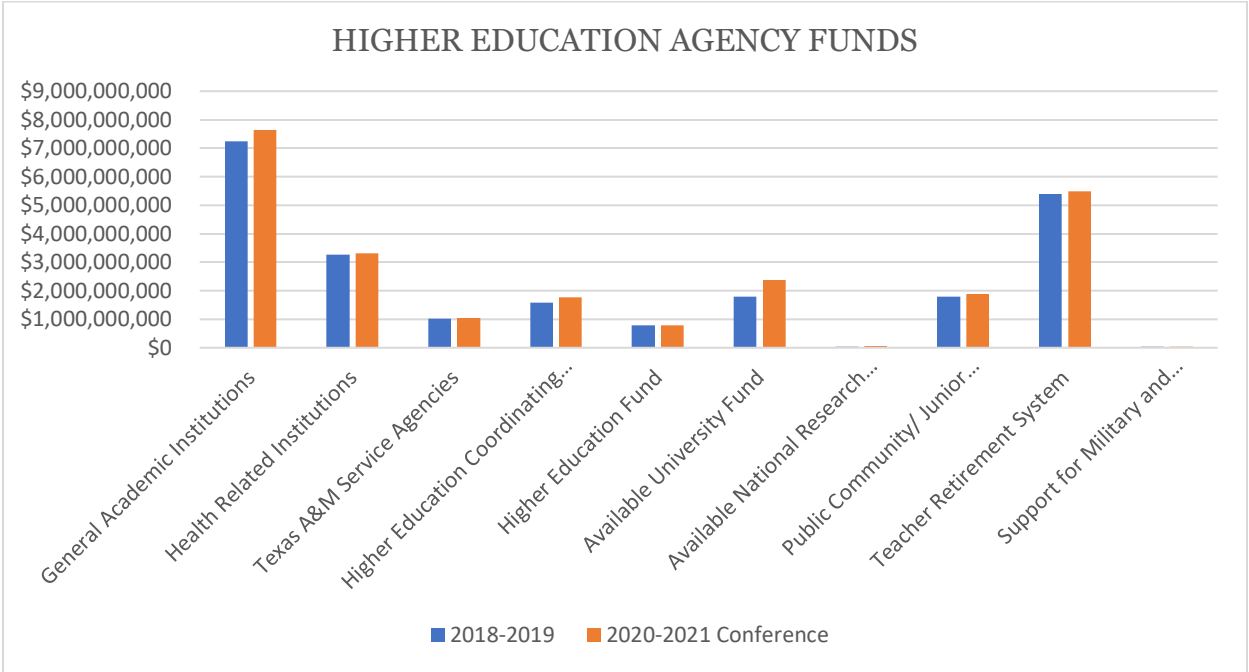
Texas School for the Deaf

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.

Changes in funding include:

- \$200,000 for student dorm furniture, classrooms, the Toddler Learning Center, and Central Services Building. This item was not included in the version of HB 1 passed out of the House.
- \$464,628 for a 4% direct care staff salary increase. This item was not included in the version of HB 1 passed out of the House.
- No funds designated for Campus Safety and Security specifically for the Texas School for the Deaf. SB 500 includes \$100 million for school hardening. The version of HB 1 passed out of the House included \$1.1 million for this purpose.

ARTICLE III- HIGHER EDUCATION



	2018-2019	2020-2021 Conference
General Academic Institutions	\$7,239,100,000	\$7,630,511,023
Health Related Institutions	\$3,255,900,000	\$3,314,690,125
Texas A&M Service Agencies	\$1,025,100,000	\$1,036,270,005
Higher Education Coordinating Board	\$1,583,600,000	\$1,779,948,159
Higher Education Fund	\$787,500,000	\$787,500,000
Available University Fund	\$1,800,547,973	\$2,384,733,000
Available National Research University Fund	\$46,326,661	\$50,225,534
Public Community/ Junior Colleges	\$1,794,500,000	\$1,895,374,984
Teacher Retirement System	\$5,403,400,000	\$5,498,229,908
Support for Military and Veterans Exemptions	\$47,260,506	\$47,837,074
Article III Total GR & GR-D	\$59,280,900,000	\$57,229,179,173
Article III Total All Funds	\$81,229,000,000	\$83,006,839,311

Available University Fund

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:

- \$2.4 million in total funds
- Texas A&M: \$783.4 million
- University of Texas: \$1.6 billion

Higher Education Coordinating Board

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

Changes in funding include:

- An annual rate of \$5,992 for the Graduate Medical Education formula
- \$79.8 million for Texas Grants
- The Top 10 Percent Program has been phased out completely for the 2020-2021 biennium.
- \$100 million contingent on the establishment of a Texas Mental Health Care Consortium. This was not represented in the version of HB 1 passed out of the House.
- \$178.6 million for Texas Equalization Grants to support approximately 26,200 students per year. Unexpended Funds in the B-On-Time private will be used to support TEOG.
- \$4.2 million in additional funding that would support 140 nominations at a \$10,000 award amount.
- Unexpended B-On Time public funds will be used to support FSP operations.

General Academic Institutions (GAI's)

Formula Funding Changes:

- Total increase of \$151.2 million to provide an annual rate of \$56.97 for GAIs Instruction and Operations Formula.
- Total increase of \$6.27 million to provide a rate of \$5.52 for the Infrastructure Support Formula.

- No change for small institution supplement
- Total increase of \$14.7 million to provide an annual rate of \$5.23 for Lamar State Colleges Instruction and Operations Formula.
- Total increase of \$38.3 million to provide a returned value percentage of 36% for the Texas State Technical Colleges Instruction and Operations Formula. This represents an increase of \$27.9 million from the version passed out of the House.
- \$35 million for Texas Research Incentive Program (TRIP)

Non- formula Funding Changes:

- Increase of \$21.9 million for Texas Research University Fund. This restores funding back to 2016-2017 levels.
- Increase of \$11.7 million for Core Research Support. This restores funding back to 2016-2017 levels.
- Increase of \$1.4 million to the Comprehensive Research Fund. This restores funding back to 2016-2017 levels.
- \$20 million for the University of Houston College of Medicine
- \$13.2 million for the Veterinary Medicine program at Texas Tech University.

Health Related Institutions (HRI’s)

Formula Funding Changes:

- \$9,692 for the annual instruction and operations formula rate
- \$6.27 for the annual infrastructure support formula rate
- \$1.4 million base rate plus an annual rate of 1.22 % of reported research expenditures for the research enhancement formula.
- \$5,992 for the annual graduate medical education formula rate.
- Annual rate of \$1,697 for UT MD Anderson Cancer Center operations formula
- Annual rate of \$189 for UT Health Science Center at Tyler Chest Disease Center operations formula
- \$13.4 million increase, \$21.8 million of hold harmless funds for the University of Texas Southwestern Medical Center performance-based research operations formula
- \$73.3 million for Baylor College of Medicine undergraduate education formula

Public Community and Junior Colleges

Formula Funding Changes:

- \$1.36 million per community college district per biennium for the Core Operations formula. This represents a decrease of approximately \$80,000 per community college district per biennium than the version of HB 1 passed out of the House.
- \$214.76 funding rate for success points. This represents an increase of \$47.2 million. The success point formula will now include student transfers from structured co-enrollment programs to GAI’s.
- Outlines the legislative intent for the 2022-2023 biennium for the following:
 - 2.75 points per student transfer to a GAI
 - 1.2 points per degree or certificate awarded in a field other than a critical field
 - 3 points per degree awarded in a critical field

Teacher Retirement System (TRS)

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, at the beginning of the 86th session, TRS had a 99 year funding period. Currently TRS is actuarially sound because of increased contributions from the state, educators, and employers.

Funding changes include:

- \$1.1 billion All Funds for TRS-Care
- \$4.1 billion in All Funds for the current state law contribution for retirement benefits
- HB 3 updates TRS contribution per educator by \$510
- SB 12 updates TRS employee contributions by \$412

Support for Military and Veterans Exemptions

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 Legislature 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.

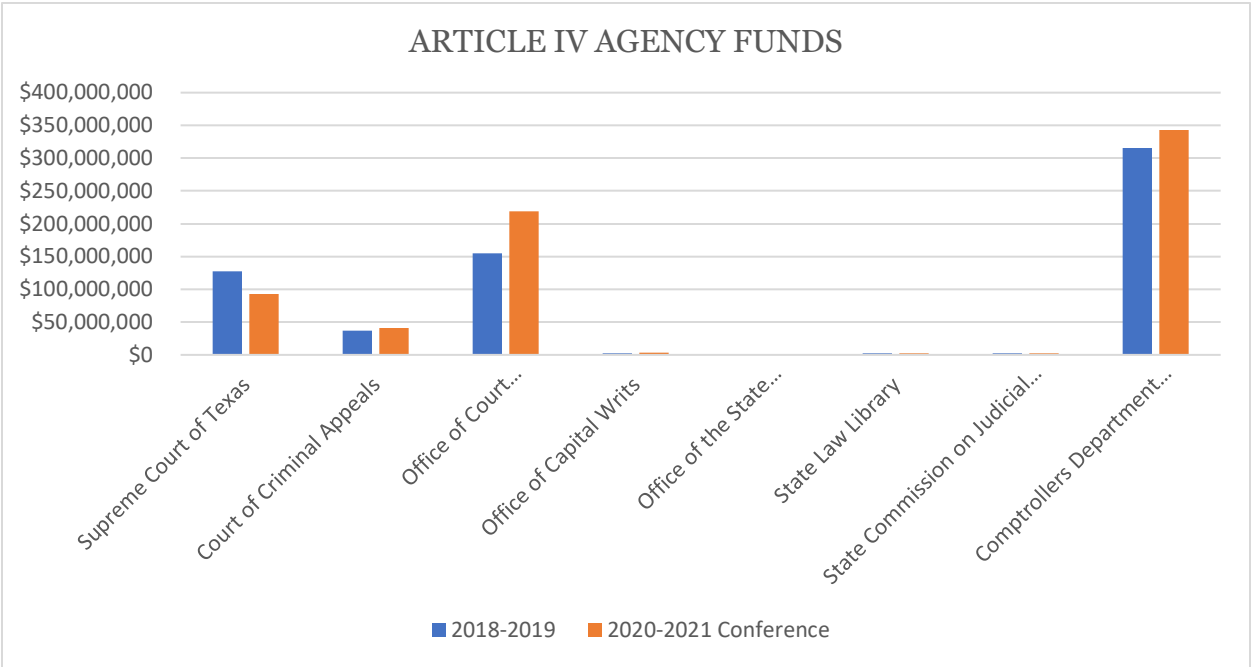
Higher Education School Safety

Changes in funding include:

- \$4 million for ALERRT program at Texas State University

- \$9.1 million for the School Safety Center at Texas State University.
- \$5 million for the Telemedicine Wellness Intervention Triage Referral (TWITR) project at Texas Tech University Health Sciences Center. The version passed out of the House designated \$20 million for this purpose.

Article IV- The Judiciary



	2018-2019	2020-2021 CCR
Supreme Court of Texas	\$127,400,000	\$92,760,173
Court of Criminal Appeals	\$37,400,000	\$40,722,501
Office of Court Administration, Texas Judicial Council	\$155,300,000	\$218,731,133
Office of Capital Writs	\$2,700,000	\$3,710,691
Office of the State Prosecuting Attorney	\$900,000	\$909,000
State Law Library	\$2,100,000	\$2,240,639
State Commission on Judicial Conduct	\$2,300,000	\$2,509,377
Comptrollers Department Judiciary Section	\$315,300,000	\$343,305,168
Total GR & GR-D	\$631,800,000	\$724,835,632
Total All Funds	\$857,100,000	\$892,336,130

Supreme Court of Texas

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 one-time civil penalties awarded to the state in the 2018-2019 biennium.

Funding changes includes:

- \$74 million for the Basic Legal Services Strategy. This is a \$1.2 million decrease from the version of HB 1 passed out of the House.
- \$1.2 million increase for Basic Civil Legal Services. This represents ½ the amount that was passed out of the House.
- Increase of \$3 million in GR to provide additional services to veterans and their immediate family.
- Increase of \$400,000 in GR-D to provide funding to victims of sexual assault.
- \$5.5 million for the Children’s Commission to provide the Child Support Courts with training, provide up to date policies and practices relating to abused and neglected children, and to hire two staff attorneys. This represents a \$1 million decrease from the version of HB 1 passed out of the House.

Office of Court Administration, Texas Judicial Council

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

- \$29.7 million in GR to create a statewide case management system.
- Increase of \$3.7 million in GR and 18 FTEs to create 9 additional Child Protection Courts
- Increase of \$5 million in GR-D funds for grants to public defender offices for a pilot project for the early identification and specialized representation of indigent defendants with a mental illness. These funds are directed to the Texas Indigent Defense Commission representing half of the amount passed out of the house.
- Increase of \$5 million in GR-D funds for grants to counties for indigent defense. Directed to the Texas Indigent Defense Commission. This represents half of the amount passed out of the House.

Court of Criminal Appeals

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

Funding changes include:

- \$27.4 for the Judicial Education grant program for the purpose of continuing legal education and technical assistance of judges, court staff, prosecuting attorneys and criminal defense attorneys.

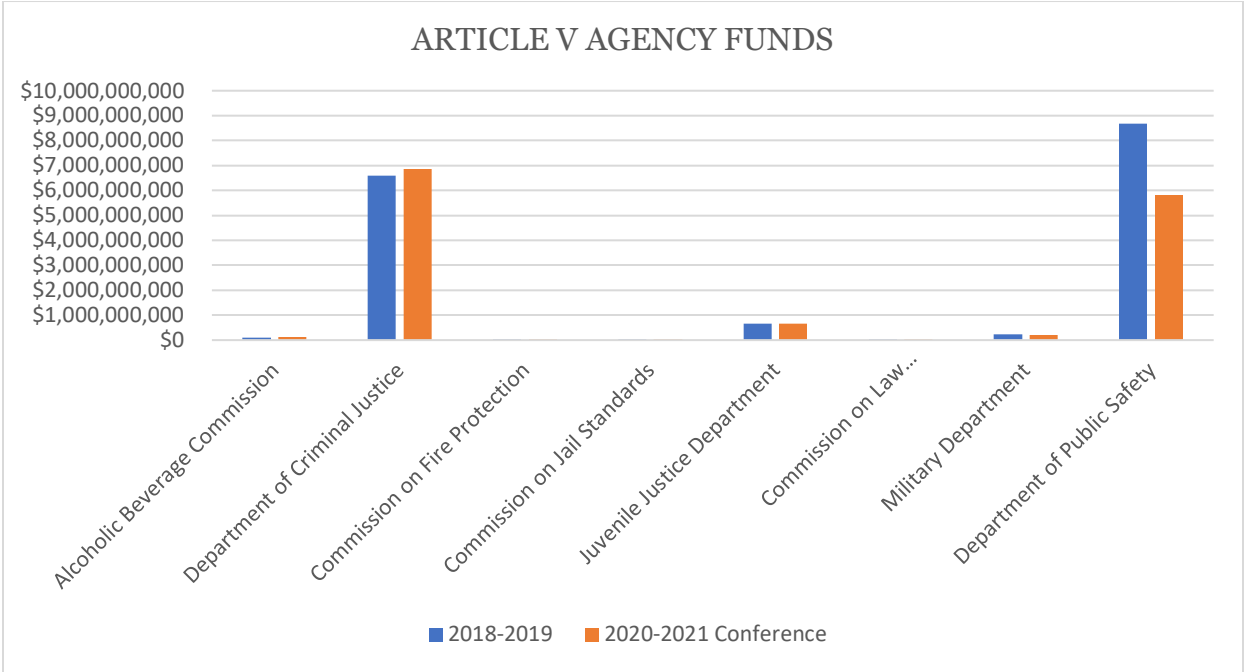
Judiciary Section, Comptrollers Department

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:

- \$108,895 in All Funds for indigent inmate defense

Article V- Public Safety and Criminal Justice



	2018-2019	2020-2021 CCR
Alcoholic Beverage Commission	\$99,500,000	\$112,927,526
Department of Criminal Justice	\$6,606,300,000	\$6,870,917,924
Commission on Fire Protection	\$3,900,000	\$3,951,554
Commission on Jail Standards	\$3,700,000	\$2,880,838
Juvenile Justice Department	\$661,100,000	\$656,004,951
Commission on Law Enforcement	\$7,900,000	\$8,169,980
Military Department	\$222,900,000	\$205,554,543
Department of Public Safety	\$8,684,900,000	\$5,828,476,997
Total GR & GR-D	\$11,364,100,000	\$12,122,420,133
Total All Funds	\$18,378,500,000	\$16,040,281,191

Texas Department of Criminal Justice (TDCJ)

TDCJ encompasses housing, security, classification, food, healthcare and treatment services for adults who are incarcerated. In the past six years, the prison population has seen a decrease from approximately 156,000 individuals to 144,600 individuals. The need for increased funds is driven by significant increases in health care costs. Funding for psychiatric care has increased more than 25 percent since 2014, with the University of Texas Medical Branch pointing to an increase in the number of inmates with mental illness of more than 50 percent in the past decade. Hospital and clinical care has increased 50 percent since 2014 due to the aging of our prison population, increased rates of chronic diseases, the need for more intensive treatments, and the increased demand mobility aides. Additionally, pharmacy costs have increased nearly 25 percent since 2014.

Changes in funding include:

- \$1.3 billion in All Funds for Correctional Managed Health Care.
- \$8.4 million in GR and 9 FTEs for 100 beds at the Stiles Unit. This is a decrease of \$2.1 million dollars, 9 FTEs and 250 beds than what was passed out of the house.
- No funds designated for the Offender Health Care IT system upgrades.
- \$2 million increase in GR for capital equipment needs for unit health care facilities. This is a \$2 million decrease from what was passed out of the House.
- \$4 million in GR for pretrial diversion grants.
- \$4.8 million increase for expansion of mental health caseloads prioritizing those services in rural communities.
- No funds designated for video surveillance systems. SB 500 designates \$26 million for this purpose. The version passed out of the House had \$26 million in ESF designated for this purpose.
- No funds for a body-worn camera pilot program. The version passed out for the House provided an increase of \$2 million for this purpose.
- Increase of \$5.3 million in GR for 4 educational and vocational training pilot programs.
- No funds for Correctional Information Technology System Project. SB 500 designates \$24.2 million for this purpose. The version passed out of the house had \$24.2 million designated for this purpose.
- No funds for the repair and renovation of buildings and facilities. The version of the bill passed out of the house had \$100.1 million designated for this purpose.

- Rider that TDCJ must produce an annual report on temperature related conditions and complaints. TDCJ must record temperature in offender housing areas at certain times.
- Rider that gives preference to local community supervision and corrections departments wanting to expand pretrial diversion programs is not in the final version of HB 1.
- \$1 million in GR for TDCJ to work with the Cities of Houston and Dallas to operate a reentry services pilot program. The version passed out of the house had 2 million.
- Rider for TDCJ to produce a report on warrants issued for parole violations,” blue warrants”.
- Rider for TDCJ to produce a report on the effectiveness of its Mental Health Therapeutic Diversion Program.
- \$4.8 million to expand mental health caseloads in rural areas for TCOOMMI. In the version of HB 1 passed out of the House \$8.3 million was designated for this purpose.

Texas Juvenile Justice Department (TJJD)

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

Changes in funding include:

- No additional funding to partially restore base reduction. \$11 million in GR was provided in the version of HB 1 passed out of the House.
- No additional funding to increase juvenile correctional officer staff
- \$3.2 million in GR for body-worn cameras. This represents a MOF swap from ESF.
- \$3 million in GR for additional probation regionalization services. This represents a MOF swap from ESF.
- 1 FTE and \$115,000 in GR for trauma-informed care training. This represents half the amount and FTEs provided in the version passed out of the House.
- No funds designated for probation alternative placements for regionalization. Version passed out of the House designated \$2.5 million in ESF for this purpose.
- No funds designated for contract residential placements for juveniles in state custody. Version passed out of the House designated \$2.5 million in ESF for this purpose.
- \$5 million to address repair and rehabilitation needs at state facilities. Increase of \$3.8 million in GR for health and safety upgrades and improvements at facilities. Increase of \$1.2 million in GR for deferred maintenance. This represents a MOF swap from the version of HB 1 passed out of the House.
- No funds designated to replace the legacy video surveillance systems. SB 500 designates \$7.5 million for this purpose. The version of HB 1 passed out of the house designated \$7.5 million for this purpose.
- Rider that the agency can use up to \$5 million in GR for local probation department grants.
- Rider that the agency will conduct a study to develop strategies that will reduce the confinement of children with mental illness or intellectual disabilities.

Department of Public Safety (DPS)

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.

Border security

- \$671.1 million All Funds for baseline border security funding. This represents a decrease of \$13.6 million from the version of HB 1 passed out of the House.
- \$7 million for capital equipment for Operation Drawbridge. Funds for this purpose were not designated in the version of HB 1 passed out of the House.
- \$500,00 and 4 FTE’s for the Texas Transnational Intelligence Center for border security.
- \$750,000 in GR for a tactical training facility in Cameron county for border security. This is a decrease of \$7.8 million from the version of HB 1 passed out of the House.
- Rider clarifying that border security performance measures have measurable and defined outcomes for success is not included in the final version of HB 1.

Human Trafficking Prevention

- Rider that directs DPS to expend \$27.9 million in GR to address human trafficking and anti-gang activities. House version of HB 1 did not include this rider.
- \$7 million for human and child sex trafficking investigative squads
- \$15.8 million for anti-gang squads
- \$5 million for regional human trafficking investigative squads

Other Funding changes include:

- \$1.8 million increase for a partnership with Sam Houston State University Forensic Science Department.
- \$49.8 million in GR to improve crime lab services. This represents an increase in funds, the version passed out of the house had \$13.9 million designated for this purpose.
- \$1 million for a safe gun storage campaign.
- Rider that directs DPS to expend \$49.8 million in GR for prioritization of sexual assault kits and increase capacity of DPS crime labs. This is an increase of \$12 million from the version of HB 1 passed out of the House.
- No funds for crime lab equipment
- \$10.4 million and 28.2 FTEs for a recovery task force for the Texas Division of Emergency Management contingent on HB 6.

Driver’s License Program Funding:

- \$488.1 million total. This represents a decrease of \$200,000 from the version passed out of the House.

- \$141.5 million and 762 FTEs to staff all workstations.
- \$278.3 million in GR to maintain baseline operations
- \$51.3 million to reclassify employees as permit specialists.
- \$16 million for driver’s license offices in Angleton and Denton

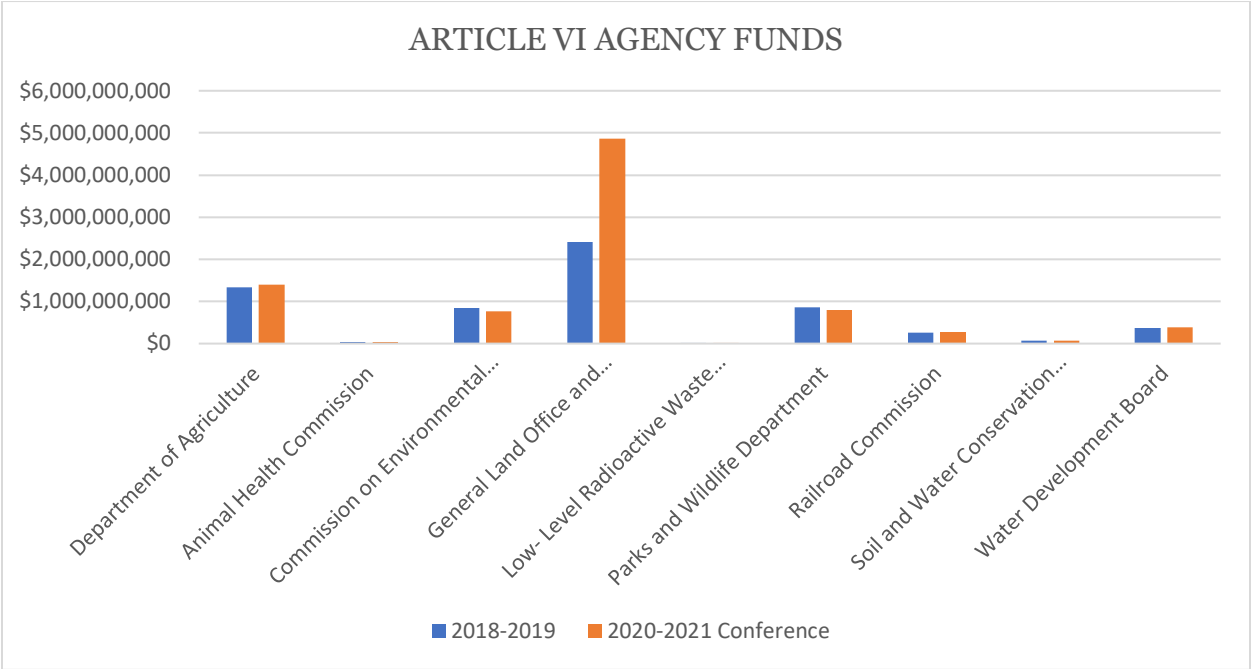
Military Department

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.

Changes in funding include:

- \$87,500 and 1 FTE for sexual assault response coordinators. This represents half of the amount of the version of HB 1 passed out of the House.
- \$9.7 million in All Funds for the Challenge Academy, an educational program for youth ages 16-18 who are disengaged from school. They offer academic instruction as well as boot-camp like activities.
- Increase of \$10 million in GR and \$14.9 million in FF for the State Armory Revitalization Program. This represents a decrease and MOF swap of 20.6 million ESF, \$33.9 million in FF of the version of HB 1 passed out of the House.

Article VI- Natural Resources



	2018-2019	2020-2021 CCR
Department of Agriculture	\$1,330,000,000	\$1,399,940,119
Animal Health Commission	\$32,400,000	\$30,793,727
Commission on Environmental Equality	\$845,300,000	\$766,643,817
General Land Office and Veterans Land Board	\$2,413,900,000	\$4,860,020,561
Low- Level Radioactive Waste Disposal Compact Commission	\$900,000	\$1,154,328
Parks and Wildlife Department	\$853,300,000	\$795,611,272
Railroad Commission	\$256,100,000	\$282,229,316
Soil and Water Conservation Board	\$70,400,000	\$74,160,653
Water Development Board	\$369,300,000	\$381,310,426
Total GR & GR-D	\$2,277,200,000	\$2,313,471,139
Total All Funds	\$6,566,000,000	\$9,013,014,955

Department of Agriculture

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

Changes in Funding include:

- \$2 million increase in GR for the Texans Feeding Texans program. This represents \$2 million above the amount in HB 1 that was passed out of the House.
- An increase of \$71.2 million in Federal Funds for food and nutrition programs in schools and communities.
- \$540,000 for the State Office of Rural Health

Texas Commission on Environmental Quality (TCEQ)

The TCEQ is the main environmental agency for the state.

Changes in funding include:

- No funds appropriated for LIRAP, this item was expected to be vetoed by the Governor as it was in 2017. The version of HB 1 passed out of the House provided \$96.6 million for this purpose.
- \$4.5 million increase in GR-D for local air pollution grants to reduce ozone in near non-attainment areas. This represents a \$1.5 million decrease from the version of HB 1 passed out of the house.
- \$947,500 in GR-D funds to upgrade two vans and to purchase one additional van for mobile air monitoring. This represents a MOF swap from the version of HB 1 passed out of the House.
- \$184,000 in GR-D funds to replace a scanning electron microscope. This represents a MOF swap from the House version of HB 1.
- \$3 million for continuing radioactive pollution mitigation projects. Makes completing the Lamprecht mitigation project a priority. This represents a \$4.1 million decrease from the version of HB 1 passed out of the House. The decrease is due to the expected cost of cleaning Lamprecht decreased substantially.
- \$ 30.2 million each year for TERP. \$3 million each year designated to the Governmental Alternative Fuel Fleet Program.

General Land Office and Veterans’ Land Board

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.

Changes in funding include:

- \$2.5 billion increase in Federal Funds for disaster recovery related to Hurricane Harvey.
- \$1.9 million for short term and community housing projects in the event that FEMA funds are no longer available.
- \$185.1 million in All Funds for coastal projects
- \$3 million in ESF to implement the Mater Plan for the Alamo and Alamo Complex and for the preservation, maintenance, and operation of the Alamo and Alamo Complex. These are the only funds appropriated out of the ESF in HB 1.

Parks and Wildlife Department

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

Changes in funding include:

- \$29 million for border security activities including enhanced game warden activity.
- \$12.5 million in GR for continued development of the Palo Pinto Mountain State Park. This is an ESF MOF swap from the version of HB 1 passed out of the house.
- \$91.3 million in Sporting Goods Sales Tax for deferred maintenance at state parks related facilities. Decrease of \$4 million and a MOF swap from the version of HB 1 passed out of the House and a MOF switch from ESF.
- \$8 million in GR-D funds for deferred maintenance at certain fish hatcheries. This item was not represented in the version of HB 1 passed out of the House.
- Rider stating the end of Northern Bobwhite Quail Interagency contract with Texas A&M AgriLife Extension.

Railroad Commission

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

Changes in funding include:

- \$9.4 in GR for oil and gas well monitoring and inspections. This represents a partial MOF swap.
- Increases FTE cap to 12 for oil and gas inspectors. No additional funding is provided for the increased cap. This represents a decrease of \$1.5 million provided in the House version of HB 1.
- \$39.1 million in GR for well plugging activities. This is a MOF swap from ESF that was passed out of the House.
- \$16.1 million in GR from the Gas Utility Pipeline Tax for oil and gas well plugging and site remediation.

Soil and Water Conservation Board

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.

Changes in funding include:

- \$831,857 in GR for dam rehabilitation projects that qualify for federal funding. This is an increase of \$3,000 from the House version of HB 1.
- No funds provided for dam rehabilitation projects that do not qualify for FF. This is a decrease of \$3 million from the House version of HB 1.

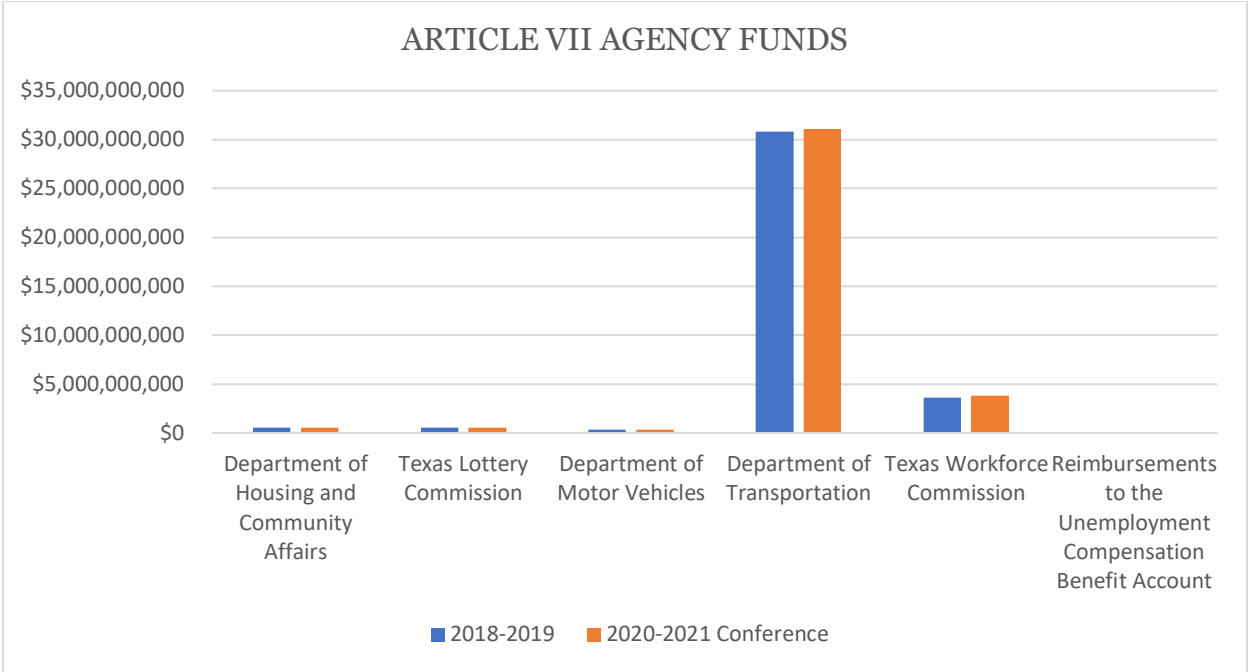
Texas Water Development Board

The Water Development Board is responsible for the state’s water resources and providing affordable water and wastewater services.

Changes in funding include:

- No additional funds dedicated for floodplain mapping and monitoring in HB 1. SB 500 designated \$47 million for a much more extensive statewide mapping plan.

Article VII-Business and Economic Development



	2018-2019	2020-2021 CCR
Department of Housing and Community Affairs	\$550,400,000	\$576,754,478
Texas Lottery Commission	\$535,300,000	\$540,857,346
Department of Motor Vehicles	\$328,900,000	\$309,376,726
Department of Transportation	\$30,844,800,000	\$31,108,056,471
Texas Workforce Commission	\$3,602,500,000	\$3,794,149,214
Reimbursements to the Unemployment Compensation Benefit Account	\$37,800,000	\$37,839,170
Total GR& GR-D	\$1,068,400,000	\$1,068,508,629
Total All Funds	\$36,587,500,000	\$37,057,123,772

Department of Housing and Community Affairs

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.

Changes in funding include:

- \$3 million designated to address homeless youth and young adults 24 and younger. This would be the first appropriations directed toward combating this issue and is especially necessary considering that a high number of homeless youths are those who have aged out of foster care.

Texas Lottery Commission

The Texas Lottery Commission is responsible for overseeing all lottery activities in the State of Texas. The Texas Lottery helps fund public education and Veterans assistance programs.

Funding Includes:

- \$35 million for mass media advertising contracts.
- \$4 million for retailer bonuses. This represents a \$4.4 million decrease from the version of HB 1 passed out of the House.

Department of Motor Vehicles

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

Changes in funding include:

- An additional 800 FTEs for the Driver License Program Transfer, no additional funds appropriated for this purpose. This represents a decrease of 3,193.8 FTEs and \$340.2 million in All Funds for this purpose from the version of HB 1 passed out of the House.
- \$309.4 million for All Funds for current DMV programs. This is a decrease from the version of HB 1 passed out of the House which designated \$314.5 million in All Funds for this purpose. These programs include vehicle registration, vehicle titling, motor carrier credentialing, permitting, motor vehicle industry regulation, and burglary and theft prevention.

Department of Transportation

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

Changes in funding include:

- \$28.5 million in State Highway Fund (SHF) and capital budget authority for deferred maintenance of buildings and facilities. This represents half of the amount in the version of HB 1 passed out of the House.
- \$58 million in SHF and capital budget authority for construction of buildings and facilities. This represents half of the amount in the version of HB 1 passed out for the House.
- \$40 million in SHF and capital budget authority for acquisition of land for construction of buildings.
- The House version of the high-speed rail rider was adopted. This version of the rider excludes the prohibition of expending resources for a high-speed rail unless the project has established eminent domain authority.
- \$2.3 billion All Funds for debt service payments. This is a slight increase from the version of HB 1 passed out of the House of \$2.2 billion.
- \$349.8 million for constructing and equipping Austin Campus Consolidation project.
- Rider that requires \$125 million from any available source to provide grants to counties for transportation infrastructure projects located in areas of the state affected by increased oil and gas production.

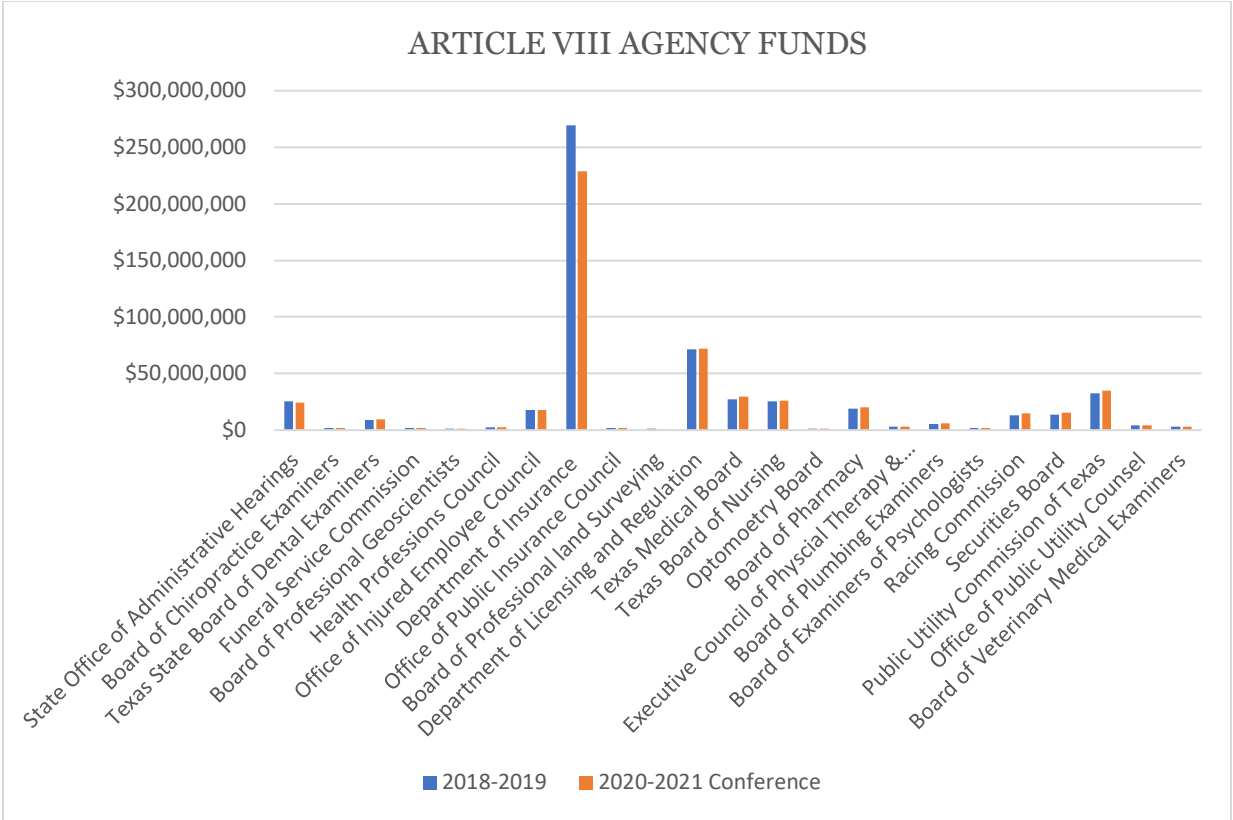
Texas Workforce Commission

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.

Changes in funding includes:

- \$1.4 million increase in grants for the Apprenticeship Training Program. This represents an increase of \$.1 million from the version of HB 1 passed out of the House.
- \$3 million increase in GR for the Jobs and Education for Texans (JET) program. This represents a \$3 million decrease from the version of HB 1 passed out of the House.
- \$250,000 a year for early childhood education professional development. This item was not included in the version of HB 1 passed out of the House.

Article VIII- Regulatory



	2018-2019	2020-2021 CCR
State Office of Administrative Hearings	\$25,300,000	\$24,090,330
Board of Chiropractic Examiners	\$1,700,000	\$1,777,965
Texas State Board of Dental Examiners	\$8,700,000	\$9,269,993
Funeral Service Commission	\$1,700,000	\$1,716,733
Board of Professional Geoscientists	\$1,100,000	\$1,191,273
Health Professions Council	\$2,200,000	\$2,260,983
Office of Injured Employee Council	\$17,500,000	\$17,528,266
Department of Insurance	\$269,500,000	\$228,584,730
Office of Public Insurance Council	\$2,100,000	\$2,084,499
Board of Professional land Surveying	\$1,000,000	\$961,215
Department of Licensing and Regulation	\$71,200,000	\$72,095,987
Texas Medical Board	\$27,500,000	\$29,323,775
Texas Board of Nursing	\$25,500,000	\$26,302,203
Optometry Board	\$1,000,000	\$1,016,535
Board of Pharmacy	\$18,700,000	\$20,215,573
Executive Council of Physical Therapy & Occupational Therapy Examiners	\$2,900,000	\$2,844,948
Board of Plumbing Examiners	\$5,300,000	\$5,846,196
Board of Examiners of Psychologists	\$1,900,000	\$1,948,145
Racing Commission	\$13,300,000	\$14,647,882
Securities Board	\$13,700,000	\$15,540,116
Public Utility Commission of Texas	\$32,600,000	\$34,823,213
Office of Public Utility Counsel	\$4,300,000	\$4,271,529
Board of Veterinary Medical Examiners	\$2,800,000	\$2,779,582
Total GR & GR-D	\$581,400,000	\$603,023,571
Total All Funds	\$671,700,000	\$647,393,962

Texas Department of Insurance

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.
 - Three-Share Premium Assistance Programs funded @\$2.25M in the CCR, not \$3M – senate funded @\$1.5M, and off the record, they didn’t like the program once it was described to them, and we had to protect it.

Department of Licensing and Regulation

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

Changes in funding includes:

- \$512,734 and 4 FTEs for the addition of a Human Trafficking Team in the inspection division.
- \$1 million in GR and 8 FTEs to increase inspections of establishments with a high risk for human trafficking. This item was not represented in the version of HB 1 passed out of the House.
- \$1.95 million in GR funds for phase 1 of a consolidated licensing system. The version of HB 1 passed out of the House designated \$2 million for this purpose.

Board of Pharmacy

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.

Changes in funding includes:

\$4.4 million for the Prescription Monitoring Program. \$6.1 million is in SB 500 for the same