



LEGISLATIVE BUDGET BOARD

SUMMARY OF SENATE BILL 1, AS INTRODUCED

Budget Recommendations for the 2020–21 Biennium

PRESENTED TO SENATE FINANCE COMMITTEE
LEGISLATIVE BUDGET BOARD STAFF

JANUARY 2019

The Big Picture, by MOF Type

In millions

MOF Type	2018–19 Adjusted Base	2020–21 Senate Bill 1	Biennial \$ Change	% Change
General Revenue	\$108,539.7	\$112,204.4	\$3,664.7	3.4%
GR-Dedicated	\$6,605.5	\$6,060.1	(\$545.4)	(8.3%)
Federal Funds	\$84,075.6	\$87,072.9	\$2,997.3	3.6%
Other Funds	\$36,549.4	\$37,530.5	\$981.0	\$2.7%
ALL FUNDS	\$235,770.2	\$242,867.8	\$7,097.6	3.0%

The Big Picture, GR by Article

General Revenue, in millions

Article	2018—19 Base	2020—21 Recs	\$ Change	% Change
1 – General Gov't	\$3,406.9	\$3,493.9	\$87.0	2.6%
2 – Health/Human Services	\$34,715.3	\$33,606.9	(\$1,109.4)	(3.2%)
3 – Public Education	\$41,548.7	\$45,835.3	\$4,286.5	10.3%
3 – Higher Education	\$14,909.7	\$15,154.4	\$244.7	1.6%
4 – Judiciary	\$490.8	\$502.4	\$11.7	2.4%
5 – Public Safety/Criminal Justice	\$11,322.1	\$11,505.1	\$182.9	1.6%
6 – Natural Resources	\$910.6	\$870.4	(\$40.2)	(4.4%)
7 – Business/Econ Development	\$496.5	\$479.9	(\$16.6)	(3.4%)
8 – Regulatory	\$345.3	\$352.9	\$7.5	2.2%
10 - Legislature	\$392.7	\$403.3	\$10.5	2.7%
TOTAL, ALL ARTICLES	\$108,539.7	\$112,204.4	\$3,664.7	3.4%

Major Funding Items

Public Education

- \$3.7 billion for a teacher salary increase, contingent on legislation
- \$2.3 billion for providing property tax relief and reducing reliance on recapture, also contingent
- FSP: Fully funded at current law; reflects a reduced GR need of \$1.6 billion
- TRS-Care: \$231 million in additional funding to maintain 2019 premiums/benefits

Medicaid

- \$2.0 billion All Funds increase, supporting caseload growth and maintains 2019 average costs. More favorable FMAP results in net \$1.4 billion GR decrease.

Transportation – TxDOT funding includes \$31.3 billion in All Funds, including \$5.0 billion in sales tax deposits (Prop 7) and \$4.3 billion in oil/gas revenue transfers (Prop 1)

Higher Education

- 2018-19 biennial formula rates are largely maintained; funding for Texas State Technical Colleges are increased by \$30 million to fund Returned Value formula at 36 percent
- GME funding is increased by \$60 million to meet the 1.1-to-1.0 ratio
- \$100 million contingency to Coordinating Board for the Texas Mental Health Care Consortium

Human Trafficking – \$89 million (\$64 million increase) for prevention, investigation and prosecution of human trafficking-related activities

Sporting Goods Sales Tax – Parks and Wildlife Department and Historical Commission are funded at the maximum allocation of SGST, an increase of \$90 million

Supplemental Bill – SB 500 as Introduced

\$1.7 billion in GR, \$2.5 billion in Economic Stabilization Funds

GR

- FY2019 Medicaid shortfall: \$2.1 billion GR, \$4.4 billion All Funds
- Foster care shortfall: \$84 million
- Correctional Managed Health Care shortfall: \$160 million
- Foundation School Program savings: projected \$643 million in reduced state cost

ESF

- Hurricane Harvey funds: At least \$1.2 billion in funds addressing Harvey impact, including approx. \$900 million for public schools
- School safety and hardening: \$100 million
- Governor's disaster grants: \$100 million
- Texas Guaranteed Tuition Plan: \$211 million
- State hospital construction: \$300 million
- State pension liabilities: \$300 million each for ERS and TRS

Constitutional Limitations

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

These figures are based on spending in both SB 1 and SB 500.

2020–21 Remaining General Revenue Spending Authority (in billions)	
Pay-as-you-go Limit	\$5.5
Spending Limit	\$10.0

LBB Staff and Publications

LBB Staff:

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

LBB Publications:

Appropriations bill as introduced	Criminal justice reports
Bill Summary (Summary of LBE)	Infographics and Issue Briefs
Legislative Budget Estimates – Strategy	Interactive Graphics
Legislative Budget Estimates – Program	2018–19 Fiscal Size-up
State Budget by Program	Primers, school performance reviews, and other stand-alone reports



LEGISLATIVE BUDGET BOARD

Contact the LBB

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