



# LEGISLATIVE BUDGET BOARD

## **House Bill 1** *as Introduced*

***2026-27 Biennium***

**PRESENTED TO HOUSE APPROPRIATIONS COMMITTEE  
LEGISLATIVE BUDGET BOARD STAFF**

**FEBRUARY 2025**

# House Bill 1, by Method of Finance

MOF Type	2024-25	2026-27	\$ Change	% Change
General Revenue	\$ 142,644.4	\$ 154,063.7	\$ 11,419.2	8.0%
General Revenue - Dedicated	9,901.8	6,981.1	(2,920.7)	-29.5%
Federal Funds	108,326.9	98,417.5	(9,909.5)	-9.1%
Other Funds	72,095.7	76,274.6	4,178.9	5.8%
<b>TOTAL</b>	<b>\$ 332,968.8</b>	<b>\$ 335,736.8</b>	<b>\$ 2,768.0</b>	<b>0.8%</b>

*Totals may not sum due to rounding.*

# All Funds, by Article

Article	2024-25	2026-27	\$ Change	% Change
1 – General Gov't	\$ 21,639.1	\$ 14,978.4	(6,660.6)	-30.8%
2 – Health/Human Services	101,651.3	102,906.0	1,254.7	1.2%
3 – Public Education	89,141.2	97,339.8	8,198.6	9.2%
3 – Higher Education	32,510.2	31,643.5	(866.7)	-2.7%
4 – Judiciary	1,241.2	1,133.1	(108.1)	-8.7%
5 – Public Safety/Criminal Justice	19,485.3	19,901.5	416.2	2.1%
6 – Natural Resources	11,055.8	7,216.0	(3,839.8)	-34.7%
7 – Business/Econ Development	49,832.2	49,108.1	(724.1)	-1.5%
8 – Regulatory	5,891.9	5,929.1	37.2	0.6%
9 – General Provisions	-	5,041.0	5,041.0	-
10 – Legislature	520.8	540.3	19.5	3.7%
<b>TOTAL</b>	<b>\$ 332,968.8</b>	<b>\$ 335,736.8</b>	<b>\$ 2,768.0</b>	<b>0.8%</b>

*Totals may not sum due to rounding.*

# General Revenue Funds, by Article

Article	2024-25	2026-27	\$ Change	% Change
1 – General Gov't	\$ 11,040.2	\$ 9,327.3	(1,712.9)	-15.5%
2 – Health/Human Services	43,571.5	44,479.1	907.6	2.1%
3 – Public Education	47,835.0	50,807.2	2,972.2	6.2%
3 – Higher Education	21,475.6	21,310.8	(164.9)	-0.8%
4 – Judiciary	850.9	772.1	(78.8)	-9.3%
5 – Public Safety/Criminal Justice	13,401.1	19,376.5	5,975.4	44.6%
6 – Natural Resources	2,639.9	1,387.5	(1,252.4)	-47.4%
7 – Business/Econ Development	881.1	839.1	(41.9)	-4.8%
8 – Regulatory	428.3	483.0	54.7	12.8%
9 – General Provisions	-	4,741.0	4,741.0	-
10 – Legislature	520.8	540.1	19.3	3.7%
<b>TOTAL</b>	<b>\$ 142,644.4</b>	<b>\$ 154,063.7</b>	<b>\$ 11,419.2</b>	<b>8.0%</b>

*Totals may not sum due to rounding.*

*In addition to amounts shown above, the 2026-27 introduced bill transfers \$5.0 billion in General Revenue to the Texas Energy Fund, \$3.0 billion (contingent on legislation) for dementia prevention and research, and \$15.8 billion to the Property Tax Relief Fund, which includes \$3.5 billion in funding for additional property tax relief, contingent on legislation.*

# All State Funds, by Article

Article	2024-25	2026-27	\$ Change	% Change
1 – General Gov't	\$ 16,055.5	\$ 11,566.9	(4,488.6)	-28.0%
2 – Health/Human Services	45,656.0	46,456.3	800.3	1.8%
3 – Public Education	76,406.6	83,630.6	7,224.1	9.5%
3 – Higher Education	29,494.9	28,980.0	(514.9)	-1.7%
4 – Judiciary	1,234.9	1,129.2	(105.7)	-8.6%
5 – Public Safety/Criminal Justice	13,705.5	19,573.6	5,868.1	42.8%
6 – Natural Resources	5,454.2	3,386.7	(2,067.5)	-37.9%
7 – Business/Econ Development	30,227.4	31,091.6	864.3	2.9%
8 – Regulatory	5,886.1	5,923.1	37.0	0.6%
9 – General Provisions	-	5,041.0	5,041.0	-
10 – Legislature	520.8	540.3	19.5	3.7%
<b>TOTAL</b>	<b>\$ 224,641.9</b>	<b>\$ 237,319.4</b>	<b>\$ 12,677.5</b>	<b>5.6%</b>

*Totals may not sum due to rounding.*

# Major Funding Items

## PUBLIC EDUCATION

- Foundation School Program appropriations fully fund requirements in current law, include projected costs of student population changes, and provide approximately \$800 million to increase the yield on the golden pennies
- Contingency funding of \$4.85 billion for increased funding for public education
- Contingency funding of \$1.0 billion for an education savings account
- Contingency funding of \$400 million for the School Safety Allotment

## PROPERTY TAX RELIEF

- Provides \$51 billion for new tax relief and maintain tax relief provided since HB 3, 86<sup>th</sup> Legislature. New relief for 2026-27 includes \$3.0 billion in additional compression of district property tax rates, contingency funding of \$3.5 billion in additional property tax relief.

## HIGHER EDUCATION

- Contingency funding of \$850.0 million in General Revenue for a Texas State Technical College endowment
- \$304.4 million in All Funds, for Graduate Medical Education Expansion, including an additional \$71.3 million to maintain the 1 to 1.1 ratio of first year residency positions
- Contingency funding of \$409.7 million in General Revenue for the Texas Research Incentive Program (TRIP)
- \$1.3 billion to the Texas University Fund contingent upon institutions becoming newly eligible for the endowment funds

# Major Funding Items

## BORDER SECURITY

- \$6.5 billion to maintain current border security operations across 13 state agencies

## CRIMINAL JUSTICE & PUBLIC SAFETY

- \$330.6 million to provide a 10.0 percent pay increase for Correctional Officers and \$32.0 million to provide a 15.0 percent pay increase for Parole Officers at the Texas Department of Criminal Justice
- \$402.6 million for new commissioned law enforcement officers at the Department of Public Safety

## HEALTH & HUMAN SERVICES

- Contingency funding of \$3.0 billion for the Dementia Prevention and Research Institute of Texas
- An increase of \$4.1 billion in All Funds for Medicaid and CHIP, primarily due to projected caseload growth
- \$892.5 million in General Revenue (\$2.2 billion in All Funds) to increase attendant wages to \$12 per hour
- \$85.9 million in General Revenue (\$91.1 million in All Funds) to the Department of Family and Protective Services to roll out Community Based Care at an additional four regions

## OTHER HIGHLIGHTS

- \$36.2 billion for highway planning and design, right-of-way acquisition, construction, and maintenance
- \$5.0 billion in additional funding for the Texas Energy Fund
- \$192.3 million to the Texas A&M Forest Service to fully fund the backlog of volunteer fire department grants

# Major Funding Items

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SUPPLEMENTAL APPROPRIATIONS BILL - intended funding as highlighted in Art IX, Section 17.15, including:

- \$1.0 billion for an additional one-time legacy payment to the Employees Retirement System
- \$515.8 for construction and major repair and renovation projects at criminal justice facilities
- \$350.0 million to fund local rail grade crossing separation projects
- \$328.3 million to expand laboratory capacity through the Department of State Health Services
- \$180.0 million for emergency operations centers and resource storage and staging areas
- \$100.0 million to the Texas Historical Commission for the Courthouse Grant Program
- \$718.7 million for cross-article agency information technology projects
- \$339.0 million for cross-article agency vehicle replacements



# Constitutional / Statutory Limitations

2026–27 Remaining General Revenue Spending Authority (in billions)	
<b>Pay-as-you-go Limit</b> <i>Texas Constitution, Article III, Section 49a</i>	\$11.6
<b>Tax Spending Limit</b> <i>Texas Constitution, Article VIII, Section 22</i>	\$4.8
<b>Consolidated General Revenue Limit</b> <i>Texas Government Code, Section 316.001</i>	\$9.8

*These amounts compare the introduced bill with the Comptroller's Biennial Revenue Estimate and do not fully account for revisions that will occur due to supplemental appropriations and other legislative decisions.*

# LBB Staff

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

Publications include:

Appropriations Bills	Strategic Fiscal Reviews
Bill Summaries	Criminal Justice – projections/reports
Legislative Budget Estimates – Strategy	Infographics and Issue Briefs
Legislative Budget Estimates – Program	Interactive Graphics
Fiscal Size-Up, 2024-25 Biennium	School Performance Reviews



# LEGISLATIVE BUDGET BOARD

## **Contact the LBB**

Legislative Budget Board

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512.463.1200